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CONTENTS:

	PAGE		PAGE
I.—General Results of the Commercial and Financial History of 1868	78	V.—Poor Men's Wives	115
II.—General Election, 1868	102	VI.—The Agricultural Labourer	117
III.—Cost of Lancashire Voters per Head	111	VII.—The Budget of the City of Paris	118
IV.—The Harvest Yield of 1868..	113	VIII.—The Reserves of the National Banks of the United States	121

I.—General Results of the Commercial and Financial History of 1868.

FROM the *Economist*. This forms the sixth history of the series which has appeared in that paper. See *Journal*, vol. xxxi, pp. 76—90:—

“The year has been one of still further general recovery from the disasters of 1866 and 1867. We said twelve months ago that about the end of 1867 we had probably passed the lowest point of depression—and the events of 1868 have justified the expectations of those who looked for a slow return of more active dealings.

“I.

“In Foreign politics there have been few events of sufficient importance to disturb trade. The contest in the United States between Mr. Seymour and General Grant for the Presidency excited interest during the autumn, and Grant's success was regarded as perhaps the best result which could arise out of the conflict. Johnson has pursued a course so intemperate and imprudent as to render his re-election impossible. The exchange of provocations and menaces between France and Prussia has been in abeyance during the year. It is believed that France is now in such a state of preparation for war that she is no longer restrained by a sense of the superiority of Prussia. The tremendous nature however of any collision between the two Powers, and the uncertainty of the result as regards France, and the positive certainty that neither side could obtain any real concession of territory from the other, seems to be gradually imposing restraint and prudence on the two Governments. There is still, however, the essential uncertainty which hangs over the policy of a country which, like France, is absolutely in the hands of a single man, who, at the age of 60 and in feeble health, directs all his thoughts to the consolidation of his dynasty. The revolt in Spain in the autumn, its rapid success, and the orderly manner in which peace has been maintained by the Provisional Executive, have been subjects rather of curious interest than of real importance out

of the Peninsula. At the end of the year came the dispute between Turkey and Greece, excited no doubt by the imprudent and uncalled-for comments of Lord Stanley, at Lynn, on the present state of Turkey. At one time the quarrel seemed likely to involve the Great Powers. But the timely capture in Crete of a large band of Greek adventurers, who had been ostentatiously sent over from Athens to complete, as it was said, the Cretan revolt: the energy of the Turkish Government: and more than all the utter inability of Greece to obtain either money, men, ships, or war material, enabled France, England, and Austria to put such pressure on Russia as sufficed to terminate the difficulty. The result of the whole affair, therefore, is to give Turkey a further opportunity of consolidating its resources, inasmuch as it has been proved that while Greece by itself is powerless, Russia, its ally and instigator, is at least at present not able to follow up its intrigues by a display of force.

“The end of the war in South America between Brazil and its allies against Lopez, the Dictator of Paraguay, came quite at the end of the year—or rather in January, 1869. The war has lasted three years, and it is the most destructive and costly contest carried on in modern times in South America. In the end Lopez has been utterly defeated, but not until Paraguay has been almost depopulated. The enormous amount of war material of the best descriptions collected by Lopez during the last ten or fifteen years with a view to aggressions on his neighbours seemed almost incredible. The end of the contest will have all the effects of a beneficent deliverance for Brazil, upon which the drain of men and treasure has already produced real peril and distress. The exchange on London for example, which three years ago stood at 27*d.*, fell to 17*d.* It is now about 19*d.* The disbanding of the army in the field, and the dispersion of the immense body of camp followers, will in some measure supply the labour so urgently required in the coffee, sugar, and cotton plantations of the country. The conquest of Paraguay opens to commerce the whole of the upper navigation of the great rivers of the continent, and the sufferings and achievements of the war and the burdens it has left are perhaps the best lesson in civilisation which could be learnt by the South American people at the present juncture of their history. The difficulties in Brazil have largely reacted on Portugal, the wealthier and trading classes of which are dependent in no small degree on Brazil for a large part of their income.

“The expedition to Abyssinia came to a successful end in March (1868) by the destruction of Magdala and the death of King Theodore. The enterprise was creditable, but very costly; for at an expense of nearly ten millions sterling we have repaired a blunder of red tape, and performed an achievement which will long reverberate through the Asiatic countries. The Government had sufficient good sense to evacuate Abyssinia without loss of time; and the three or four millions of treasure expended among the tribes of the Red Sea may possibly assist them to become by slow degrees consumers of English calicoes and hardware.

“The differences with the United States on the subject of the

escape and depredations of the Confederate cruiser *Alabama* have occupied much attention during the autumn. The Ambassador, Mr. Reverdy Johnson, sent from Washington to this country for the declared purpose of settling all open questions, committed himself immediately to an incessant course of public dinners and appearances, apparently with the object of taking credit for the rapid success of his mission. Both Lord Stanley and Lord Clarendon appear to have shared Mr. R. Johnson's sanguine conclusions. At length—in December—the text of the convention became known, and at once occasioned surprise and disappointment as being unduly favourable to America. In the United States, however, it has met with marked disfavour, and in February (1869) was reported to be rejected by the Senate. It is impossible to avoid seeing that the negotiation has chiefly failed through the noisy vanity of the American Envoy. It is a grave misfortune that there should exist between the two countries so serious a cause of disagreement. But diplomacy is for a time exhausted, and the whole subject must be left to the chances of the future, and to the slow good sense of both parties.

"The general election under the new Reform Act, with its virtual household suffrage, has been a formidable hindrance to business nearly all through the year. The preparations began in June and July, and continued till the issue of the writs in November. The new House of Commons is essentially the same in character as the old one—and bearing in mind that at last we are free from the perpetual obstruction of reform debates, time ought to be found for some of the large arrears of practical legislation.

" II.

"The summer of 1868 will be memorable as one of the most extraordinary of those seasons of drought which at rare intervals occur in this country. From June to September the heat and the absence of rain produced effects quite novel to the younger race of farmers. Pasture was almost destroyed, and cattle and sheep were sold for a fourth or fifth of the ordinary price by persons unable to procure food for them. Roots and spring corn were seriously injured; but the wheat crop was perhaps the finest in quality and the earliest gathered since 1825—the last most notable year of heat and dryness. 'The crop of 1868,' say Messrs. Horne, in the circular quoted *passim*, 'although not so enormous as that of 1863, will be classed among the largest and finest grown in this country in the present century, for there was a large breadth sown, and a great yield in quantity to the acre, and an enormous weight to the bushel; in addition to which none was injured at harvest time. We think that about 36 bushels per acre, or 28 per cent. over an average, may be taken as the average growth of the United Kingdom, against about 25 bushels per acre in 1867, and 28 bushels per acre on an average of seasons; and taking our average annual growth at 14 million quarters, we have nearly $2\frac{1}{4}$ million quarters excess quantity, making a total surplus in *weight and measure* of about 3 million quarters.'

"As regards Foreign Harvests Messrs. Horne report:—That *France* secured a full average crop; *Italy* a small crop; *Spain and Portugal* very deficient; *Hungary* far less fortunate than in 1867, when the extraordinary abundance of the Hungarian harvest, and the almost general deficiency in the rest of Europe, poured a tide of wealth into the Trans-Leithan provinces of Austria of almost fabulous amount. *North and South Russia* crops fine in quality, but mostly under average quantity; *America* barely an average; *Australia, California, and Chili*, very productive.

"In Appendix (L) we give the report of the Board of Trade on the agricultural and cattle statistics of this country in 1868. The details are of great interest, and the experience of the two previous years' collections has imparted a high degree of accuracy to the figures now published.

"The propitious Wheat Season of 1868 at once affected the corn markets, and in the course of a few weeks reduced the prices from (say) 72*s.* to (say) 51*s.*—or perhaps lower. The following Table (I) gives the prices of the six years, 1863-68, at 26th October, or immediately after the result of the harvest had been ascertained; and also the average price of each year:—

(I).—*Gazette Average Prices of Wheat per Quarter in United Kingdom, Immediately after the Harvest, 1863-68, and Total Average of each Year.*

After Harvest.			Calendar Year.		
		<i>s.</i> <i>d.</i>			<i>s.</i> <i>d.</i>
1868.	26th October	53 4	1868.	Twelvemonths	63 9
'67.	"	70 8	'67.	"	64 6
'66.	"	52 6	'66.	"	49 11
'65.	"	42 4	'65.	"	41 10
'64.	"	38 6	'64.	"	40 2
'63.	"	40 —	'63.	"	44 9

"It seems to be likely that the average price of the harvest year, 1868-69—that is September, 1868, to August, 1869—will be about 50*s.*—or nearly the same as 1866—but 25 per cent. above the abundant years 1865 and 1864. A favourable harvest in 1869 in this country and over Europe would reduce the price to perhaps 42*s.* to 45*s.* and would go far to remove existing difficulties of short employment and bad trade. It is upon the surplus money left in the pockets of the scores of millions of working people *after* they have supplied themselves with bread that the consumption of all other articles depends

"This part of the case will be illustrated in detail by the following Table (II), which brings into one view the facts collected by Messrs. Horne, and by Mr. James Caird—one of the most competent and judicious writers on agricultural statistics:—

(II).—*Grain and Flour of all kinds Imported into United Kingdom, 1862-68, and the Computed Value thereof, per Horne and Son's Circular; also Estimate of Quantity and Value of the Home Produce of Wheat, given by Mr. Caird (Statistical Journal, June, 1868).*

[19,0 = 19,000,000 millions.]

Years.	Grain and Flour of <i>all kinds</i> Imported—(<i>Horne</i>).		Home Produce of <i>Wheat</i> — (<i>Caird</i>).			Home Crop of Wheat. — Value.	
	Quantities.		Value.	Home Produce of Wheat.	Average Bushels per Acre.	Average Annual Price.	
			£	Mln. qrs.	bushls.	s. d.	£
1862...	qrs.	19,0	37,772,000	13,7	29½	44 9	30,700,600
1863 ..	qrs.	15,3	25,600,000	16,3	35½	40 2	27,106,000
'64....	"	12,2	19,700,000	15,0	32½	41 10	31,500,000
'65....	cwts.	50,1	20,500,000	13,4	29	49 11	33,500,000
1866 ..	cwts.	63,3	29,100,000	11,7	25½	64 4	37,600,000
'67....	"	65,3	41,400,000	9,7	21	65 —	31,500,000
'68....	"	66,7	39,000,000	—	—	—	—

“Mr. Caird's statement of the home and foreign supplies of wheat for the United Kingdom is as follows:—

Year.	Home Produce.	Foreign Import.	Total Supply.
	Qrs.	Qrs.	Qrs.
1862	13,700,000	7,205,000	20,905,000
'63	16,300,000	6,727,000	23,027,000
'64	15,000,000	6,030,000	21,029,000
'65	13,400,000	6,850,000	20,250,000
'66	11,700,000	7,283,000	18,983,000
Average	14,000,000	6,820,000	20,820,000

“The result of these figures is to show roughly an average Home Crop of 14 millions of quarters, and a foreign supply of 7 millions of quarters—together 21 millions. Shortly, therefore, a rise or fall of 20s. in the average annual price means 21 millions sterling *deficit* or *surplus* in the fund available for articles *other than* bread.

“We trace in the figures of this table palpable evidence of the disastrous effect of the bad seasons of 1866 and 1867. The failures of the harvest in these two years entailed an extra cost of at least 40 millions sterling on the country—and at the very time when a severe collapse of enterprise and credit had greatly reduced our resources. The result was much the same as if all Customs' duties had been doubled for the two years 1866-67 and 1867-68.

“ III.

“The tone of most of the trade circulars collected and epitomised in the next division of this review is far more cheerful than

at the end of 1867. There has been no marked revival or recovery in 1868, but the darkest period is generally felt to have been got over, and the prospects of the future are relieved from much uncertainty.

"The tendency of the wholesale prices of the leading articles has been towards slightly higher rates, with of course some notable exceptions, *e.g.*, wheat, which is 25 per cent. cheaper, and coffee, wool, and tobacco also 10 to 16 per cent. cheaper. Cotton, on the other hand, is 70 per cent. dearer.

"The following Table (III), collects the *percentages* into the form adopted in previous years:—

(III).—*Wholesale Prices in London. Comparison of 1st January, 1869, with Three Former Dates, stating in Percentages the Degree in which the Prices of 1st January, 1869, were Higher or Lower than the Prices prevailing at the Three Selected Earlier Dates.*

Articles.	Higher	Lower	Higher	Lower	Higher	Lower	Higher	Lower
	Than 1st January, 1868.		Than 1st January, 1867.		Than 1st January, 1864.		Than 1st July, 1857.	
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Coffee	—	10	—	15	—	16	—	16
Sugar	—	—	8	—	—	15	—	40
Tea	3	—	—	1	—	17	—	34
Wheat.....	—	25	—	18	23	—	—	23
Butchers' meat	4	—	—	3	—	—	12	—
Indigo	—	7	—	1	16	—	18	—
Oils	—	8	—	9	—	3	—	10
Timber	3	—	1	—	—	5	—	6
Tallow.....	13	—	5	—	20	—	—	34
Leather	—	—	7	—	2	—	—	9
Copper	2	—	—	9	—	30	—	12
Iron.....	—	—	—	3	—	20	—	30
Lead	—	2	—	5	—	8	—	24
Tin	14	—	30	—	—	2	—	22
Cotton	71	—	—	27	—	60	42	—
Flax and hemp	2	—	7	—	—	10	2	—
Silk	13	—	—	—	24	—	—	10
Wool	—	10	—	28	—	32	—	28
Tobacco	—	16	—	16	—	48	—	21
Cotton cloth	14	—	—	26	—	50	18	—
Total Bank Note circulation of Great Britain	—	2	1	—	7	—	8	—

Note.—This table, deduced from the percentages given in Appendix (C), and may be read thus:—On 1st January, 1869, coffee was 10 per cent. *lower* than on 1st January, 1868; 15 per cent. *lower* than on 1st January, 1867; 16 per cent. *lower* than on 1st January, 1864; and 16 per cent. *lower* than on 1st July, 1857.

" If the prices of 1st January, 1869, be compared with those of 1st January, 1864,—a date nearly corresponding with the first decided stage of the prosperity period,—it will be seen that the fall has been very considerable indeed. Coffee, sugar, and tea are 15 per cent. lower; copper and iron, 20 to 30 per cent. lower; wool 32 per cent., flax 10 per cent., and tobacco 48 per cent. lower.

" There have been few disputes about wages during 1868, and the rates remain much the same as at the close of 1867—that is to say, about 20 to 25 per cent. below the limits which had been reached early in 1866, before the panic. Looking at this reduction of wages and at the cheaper prices of most raw materials, and remembering the rigid economies which have been enforced by the events of the last three years, it is probable that the cost of most of the staple manufactures of this country has been reduced not much less than 30 per cent.

" The Royal Commission, under Sir William Erle, on Trades' Unions, has pursued its investigations through the year, and has collected the most extensive and varied body of evidence ever amassed on such a subject. The report is now nearly ready for issue, and may in a great degree determine the course of future legislation.

" IV.

" The Abyssinian War has led to a large increase in 1868 in the exports of gold and silver to Egypt and the East.

" The total exports by English and French steamers were—

	£
1867	3,695,000
'68	10,075,000
Increase	<u>6,380,000</u>

" Of this 6½ millions of increase, nearly 4 millions is due to the Abyssinian War. The slightly-increased exports to India have arisen from the revived demand for Indian cotton.

(IV).—*Export of Gold and Silver to Egypt and East, per Peninsula and Oriental and French Steamers. (Low's Circular.)*

Months, &c.	Gold.	Silver.	Totals, 1868.	Totals, 1867.
1868.	£	£	£	£
January	46,820	11,100	57,920	20,600
February	172,830	26,820	199,650	27,200
March	133,480	195,780	329,260	67,400
April	153,000	217,700	370,700	328,700
May	186,890	34,620	221,510	6,700
June	31,120	70,550	101,670	17,400
July	44,620	164,990	209,610	20,300
August	55,360	50,340	105,700	45,800
September	175,660	94,000	269,660	90,400
October	257,140	259,250	516,390	109,000
November	184,420	113,000	297,420	108,600
December	123,260	412,000	535,260	60,700
From England	1,564,630	1,650,130	3,213,760	903,000
Peninsula and Oriental Company from Mediter- ranean ports	2,871,270	1,498,490	4,369,760	1,615,000
Per French steamers	4,435,900 2,682,160	3,148,620 410,000	7,583,510 2,492,160	2,518,000 1,177,000
1868—Totals	6,518,060	3,558,620	10,075,670	3,695,000
1867	1,648,000	2,047,000	3,695,000	—
'66	2,871,000	7,075,000	9,946,000	—
'65	4,349,000	9,744,000	14,093,000	—
'64	6,969,000	16,956,000	23,925,000	—
1863	8,022,000	15,136,000	23,158,000	—
'62	3,391,000	14,599,000	17,990,000	—
'61	1,427,000	8,859,000	10,286,000	—
Totals	35,195,000	77,974,000	113,168,000	—
Average eight years, 1861-68	4,400,000	9,747,000	14,146,000	—

"The totals presented by this table are most remarkable. In the eight years 1861-68 there has been sent from Europe to the East—

	£	
	35,000,000	of gold
	78,000,000	„ silver
Total	113,000,000	
Average	14,146,000	per annum

"In looking at these enormous figures, it is impossible to avoid speculating on the utter disorganisation of all industry which must have taken place if the supplies of gold from Australia and California had not been available for these Eastern remittances.

"The effect of the cessation of the bullion drain to the East early in 1866 is strikingly shown in the rapid rise of the total bullion reserves of the Bank of England and the Bank of France. Thus—

<i>Bank of England.</i>			<i>Bank of France.</i>		
1866.	February	12 mlns. sterlg.	1864.	April	9 mlns. sterlg.
'67.	October	23 "	'68.	September	53 "
	<i>Increase</i>	11 "		<i>Increase</i>	44 "

"In these two cases we find an increase of 55 millions of treasure. The highest point of the reserves however has been passed. The Bank of England reserve is already 3 millions less than in October, 1867, and the Bank of France reserve nearly 11 millions less than in September, 1868.

" V.

"The cotton trade continues to be the great difficulty of this country. The following short Table (V), brings to a point the leading facts as regards 1868 and 1867 and the preceding years:—

(V).—*Cotton Trade, United Kingdom. Average Price. Annual Cost and Consumption.*

Period.	Average Price per Pound.	Annual Value of Cotton Consumed.	Total Annual Consumption.
	<i>d.</i>	<i>Mln. £</i>	<i>Mln. lbs.</i>
1868.....	9½	41	996
'67.....	10½	41	954
1866.....	13½	52	891
'65.....	15½	47	718
'64.....	22	52	561
Five years, 1856-60	6½	25	900

"We have here, it is true, a slightly reduced average annual price, and a slightly increased total quantity. But the increase in quantity is not by any means adequate to keep in full work the additions which have been made of late years to the 'spindle power' of Lancashire and the cotton region. 'As compared,' say Messrs. Ellison and Haywood in the Circular quoted *passim*, 'with 1860, the weekly consumption of 1868 exhibits a deficiency of 4,000 bales (of 400 lbs.) or 4¼ per cent. This is not a very large decrease, but as an increase of at least 10 per cent. has taken place in the *spinning power* of the country since 1860, the average consumption of 1868 represents only 84 per cent. of full time—or (say) about five days a week. To give full employment to the spindles now in existence we should require fully 57,000 bales (of 400 lbs.) per week, or 64,500 bales of the average weight (353 lbs.) of the 1868 import.

"The present rate of consumption is probably not more than

about 50,000 bales of 353 lbs., or rather more than three-fourths of the quantity required to keep the whole of the existing spindles fully going. In other words, the mills at present are working *on the average* only just over $4\frac{1}{2}$ days per week. We say *on the average*, because some mills are closed altogether, while the working time of others varies between three and six days per week.*

"The following Table (VI) gives the annual and weekly consumption, in bales of the uniform weight of 400 lbs., for the ten years 1859-68.

(VI).—*Raw Cotton. Consumption of United Kingdom, 1859-68. In Bales of 400 lbs. each.*

Year.	Bales.	Per Week.	Year.	Bales.	Per Week.
1868	2,490,000	47,890	1863	1,191,000	22,910
'67	2,386,000	45,890	'62	1,124,000	21,620
1866	2,226,000	42,820	1861	2,563,000	49,300
'65	1,796,000	34,550	'60	2,698,000	51,890
'64	1,402,000	26,980	'59	2,444,000	47,090

"Now it is precisely this deficiency of 25 per cent. in the quantity of *raw material* compared with the present *spindle power* which is working so much mischief among the manufacturers. The result is of course to place all the comparatively old mills and old machinery and the people of deficient credit and capital in the position of being unable to work at any profit. During 1868, therefore, there have been perpetual complaints from Lancashire, and there have been numerous failures. *Short time* has been recommended by large meetings of spinners and weavers, and has been partially adopted; but not to an extent to relieve the men who do not possess first-class mills and large capitals. The difficulties in the way of short time are considerable. The manufacturer hopes for the early arrival of better times, either in the shape of more raw material, or better markets for his goods. If he closes his mill and disperses his 'hands,' he knows that to start afresh will be costly and difficult, and for some time longer therefore he struggles with his accumulating losses. So far wages have not been formally reduced; but in detail doubtless more labour is obtained for the same money. If the bad trade continues it must of course fall upon the work-people in some degree.*

* "The following paragraph appears in the *Daily News*, 25th February, 1869:—'Although the gloom and depression in the cotton trade is greater than it has been known since the cotton famine, the recent proposition, emanating from the committee of the Blackburn Masters' Association, may be said to have been abandoned. Out of 150 manufacturers within the hundred of Blackburn who have been waited upon by deputations of their hands, not more than twelve have expressed themselves in favour of a reduction of wages. The Blackburn standard list agreed upon as the wages basis in the year 1853 is considered harsh and unequal in a few instances, but any serious departure therefrom would create an impassable gulf between masters and operatives. The committee of the Masters' Association have met and considered the question, but have declined to recommend any attempt to reduce wages.'

"There are some regulations in the cotton trade which a time of difficulty like the present might be expected to modify. For example, the spinners are generally said to be persons of capital, because they must pay cash for the raw cotton ten days after the purchase. But the weavers who buy the yarn of the spinners are believed to be, as a rule, not financially strong, inasmuch as the 'prompt' on yarn is six weeks, and in many cases the weaver really trades upon the spinner's capital—that is to say, he converts the yarn into cloth before the end of the six weeks, and pays the spinner with the price obtained from the buyer of the cloth. This six weeks' credit seems to be excessive, and can only encourage the intrusion into the trade of numbers of weak and speculative operators.

"The course of the market in 1868 has been almost uniformly against the spinners and weavers, as is shown by the following figures:—

(VII).—1868. *Margin between Raw Cotton and Yarn, and between Yarn and Cloth.*

	February.	June.	October.	December.
	d.	d.	d.	d.
(1) Cotton and yarn	5½	5	4½	4½
(2) Yarn and cloth	1½	—½	1	1

"The following Table (VIII) gives the details of the cotton trade for the thirteen years 1856-68:—

(VIII).—*United Kingdom, 1856-68. Estimated Value of Raw Cotton Imported, Re-Exported, and Consumed.* (Ellison and Haywood's Circular.)

[00,000's omitted, thus 52,0 = 52,000,000. The bales are given without abbreviation.]

Years.	Import.		Exported.	Consumed, United Kingdom.		
	Value.	Price.	Value.	Value.	Total Weight.	Bales per Week, 400 lbs. each.
	Min. £	Per lb.	Min. £	Min. £	Min. lbs.	Bales.
1868	52,0	9½	11,6	41,0	996,1	47,890
'67	53,8	10½	14,0	41,3	954,5	45,890
'66	75,8	18½	19,5	51,9	890,7	42,820
1865	63,2	15½	17,1	47,2	718,6	34,550
'64	82,2	22	22,1	52,4	561,2	26,980
'63	58,0	20½	21,6	40,7	476,2	22,910
1862	31,1	14	12,4	26,7	449,8	21,620
'61	38,7	7½	7,9	32,2	1,005,5	49,300
'60	36,6	6½	5,5	28,9	1,079,3	51,890
1859	32,2	6½	4,1	27,6	977,6	47,000
'58	27,2	6½	3,3	24,8	907,8	} Not given
'57	28,6	7½	3,5	24,8	825,0	
'56	26,0	6½	3,3	22,7	—	

“ The standard year for comparison is 1860. In that year there was full employment for the whole available spindle power—a low price—and a comparatively small import cost. The figures contrast as follows with those of 1868:—

Year.	Price.	Cost.	Weight.	Per Week.
	<i>d.</i>	Min. £	Min. lbs.	Bales.
1860	6½	29	1,079	51,900
'68	9½	41	996	47,900
1868 less	—	—	83	4,000
„ more	3½	12	—	—

“ These results of necessity imply two chief difficulties to the manufacturer—namely, (1) a loss of 25 per cent. of the producing power of his mill, and (2) a formidable restriction of the market for his goods by reason of the advance of at least 50 per cent. on their retail price. Cotton cloth at 3*d.* a yard is a very different article to cotton cloth at 5*d.*—when 80 per cent. of the consumers to be reached can only afford to spend the smaller sum. It is true as regards the home trade in 1867 and 1868 that it has been greatly restricted by the high price of food, low wages, and uncertain employment; and it is probable that among the poorer classes there is a comparative deficiency of cotton clothing to be made good when better times reappear—and that is a probability which the manufacturers do not overlook. But there still remains the difficulty of the enhanced price as compared with the pre-war period.

“ The prospects of the Cotton Supply of 1869 are on the whole rather better than the actual results of 1868:—First as regards the United States: The American Cotton Crops have been—

	Bales.
1868-69	2,550,000 (estimate)
'67-68	2,577,000 (actual)
'66-67	2,204,000 „
'65-66	2,329,000 „
'59-60	4,675,000 „

“ The crop, therefore, of the present and three preceding years is little more than half the crop of 1860—nor, we confess, does it seem to be likely that for many years to come the American crop can be much more than 2½ millions of bales. It is not merely the poverty, exhaustion, and political collapse of the South which have to be overcome—but more than all, it is the destruction of negro labour. A large cotton crop in the Southern States can only be procured by the systematic application of sufficient negro labour—and such labour we apprehend does not exist. In 1866, Sir Frederick Bruce sent home officially from Washington a paper drawn up, after careful inquiry in the South, by Captain Hickson, of the Royal Engineers, deputed to visit America by persons interested in the cotton trade—and in this paper there is the following passage:—

“ ‘ It is probable that at least one-fourth of the old negro labour is already lost to the agriculture of the South. The mortality among the black population has been very large, and to this loss must be added the great number of the more intelligent hands who were impressed or who enlisted into the Federal armies, and those who escaping enlistment have swarmed into the large towns, where they find employment much more suited to their tastes than that of field labour. There has likewise been more or less emigration to the North.’ ”

“ If this view be correct we are not justified in expecting to see the American crop reach even 3,000,000 bales for a long time.

“ The following are the estimates of the imports of cotton into the United Kingdom in 1869 as compared with previous years :—

Raw Cotton, 1867-68-69 and also 1860. Actual and Estimated Imports into and Re-Exports from United Kingdom, in Bales. (Ellison's Circular.)

From, and Average Weight in, 1868, of Bales in Pounds.	1869. Estimate.	1868.	1867.	1860.
	Bales.	Bales.	Bales.	Bales.
America (443)	1,350,000	1,269,000	1,226,000	2,583,000
India (370)	1,500,000	1,452,000	1,511,000	563,000
Brazil (160)	800,000	637,000	437,000	103,000
Egypt, &c. (500)	270,000	202,000	198,000	106,000
West Indies (180)	120,000	100,000	129,000	—
Total import	4,040,000	3,660,000	3,501,000	3,366,000
Deduct re-export	920,000	915,000	1,015,000	610,000
Remains for United Kingdom	3,120,000	2,745,000	2,486,000	2,756,000
Equal bales per week of (say) 353 lbs. }	60,000	53,000	48,000	53,000

Note.—The weights of the bales varies greatly from different countries and also in a less degree from year to year. The average weight of the bales of 1860 is given as high as 425 lbs.; the weight of 1867 is 364 lbs.; and of 1868 is 354 lbs. The supply, therefore, of 1860 in *pounds weight* of cotton was far beyond 1867-68 or 1869, as appears by the following figures of import into United Kingdom :—

Year.	Weight.	Average Price.	Value.
	lbs.	d.	£
1860.....	1,435,000	6½	36,642,000
1867.....	1,275,000	10½	53,798,000
'68.....	1,296,000	9½	52,013,000
1869 (?)	1,426,000	—	—

“ The figures for 1860 show the profound change which has already taken place in the sources of supply. India, Brazil, and

Egypt will become every year more securely established as fields of cotton cultivation, and the rapidity with which we shall approximate to the low price of 1860 ($6\frac{1}{2}d.$ per lb.) will depend almost entirely on the spread of the cotton agriculture of those three regions.

"The conclusions justified by this survey seem to be the following :—

"1. That in 1868 the cotton manufactures of this country have sustained great losses in consequence of the supply of raw material being on the average of the present spindle power about 20 to 25 per cent. deficient: and also in consequence, in a secondary degree, of the price of raw cotton being still 50 per cent. above the prices of 1856-60.

"2. That a continuance of these unsatisfactory conditions will in a short time compel the older mills and machinery and the weaker manufacturers to quit the trade.

"3. That there seems to be no adequate reason for expecting any rapid increase in the extent of the American crop.

"4. That the additions to the supply of the next few years must be obtained almost entirely from India, Brazil, and Egypt.

"VI.

"Next to cotton, the greatest and most rising industry of Great Britain is Iron, Steel, and other articles of manufacture and hardware of which they are the primary material. All the circulars concur in stating that in the course of 1868 the iron trade underwent a considerable change for the better. Messrs. Fallows and Co. (Liverpool) say, as quoted *passim*—'The iron trade during the early months of 1868 was in a very unsatisfactory condition, and several failures were reported amongst the Staffordshire manufacturers—the result of a long continuation of unremunerative prices. The strike in Staffordshire against a reduction of wages interfered with the production during the months of April and May, and the extreme heat of July and August had a similar effect. About the latter period there was an improved demand for manufactured iron, and this, coupled with a large business done in rails, led to a much better feeling, and there now seems good reason to anticipate that the trade is emerging from the long period of depression under which it has suffered. The *exports* of iron continue steadily to increase—the returns for eleven months, 1868, show 26,000 tons more than 1867, and 239,000 tons more than 1866. The export of rails to the United States has increased from 97,000 tons in 1866, and 157,000 tons in 1867, to 248,000 tons in 1868.'

"The iron industry of this country is in rapid process of redistribution as regards locality, and change of character as regards some of the most important stages of manufacture. The *Iron Trade Review* (Newcastle) quoted *passim*, says—'The development of the pig iron trade from Cleveland to Scotland is one of the most remarkable features of 1868. Twelve months ago it was thought truly marvellous that so much Cleveland iron should have been purchased by Scotch consumers. But the statistics of 1868 show that the quantity has continued steadily to increase, until in the aggregate more than 150,000 tons of Middlesbrough iron has been

exported to Scotland by rail and sea—against 71,000 tons in 1867.' The average price in 1868 of Scotch iron at Glasgow has been 52s. 9d. per ton; the average price of Cleveland iron at Middlesborough has been 44s. There is of course some superiority of quality in the Glasgow iron—but a superiority rapidly diminishing.

"The discoveries of iron stone during the last few years in Lincolnshire and Northamptonshire have already begun to render blast furnaces a feature of the quiet scenery of those counties. The production of iron ore and of pig iron in 1868 is given as follows (*in tons*):—

District.	Iron Ore.	Pig Iron.
Cleveland	4,000,000	1,260,000
Lancashire and Cumberland	1,750,000	500,000
Scotland	1,300,000	1,068,000
North Staffordshire	750,000	220,000
South „	500,000	520,000
West Riding, Yorkshire	575,000	110,000
Derbyshire	8,875,000	3,670,000
South Wales	350,000	150,000
North „	850,000	950,000
Shropshire	40,000	
Lincolnshire	250,000	125,000
Northamptonshire	250,000	40,000
Gloucestershire	500,000	25,000
Various	150,000	100,000
	200,000	
Tons	11,575,000	5,068,000

"The modifications in the process of manufacture all point to two chief results—first, the production of a species of cheap steel, or very superior iron, by a scientific mixing of ingredients with the commoner brands of pig iron; and, second, to abridgments, and therefore to savings in labour and material, in the present methods of obtaining manufactured bars and plates. The *Iron Trade Review* says—'The production of cheap steel from the inferior brands of iron has been often discussed. Several patents have been taken out for it, but so far with only partial success. The nitrate process of Mr. Heaton, now carried on rather extensively at the Langley Mills, near Nottingham, has recently attracted much notice. Several Cleveland makers are at work upon processes for the manufacture of cast steel from common pig iron, and sanguine hopes are entertained that existing difficulties will eventually be cleared away, and that cheap steel will be made at a cost much below that of Bessemer or other steel. Mr. Samuelson has commenced the manufacture of steel by the Siemens-Martin process at the Newport Works, Middlesbro'. The Radcliffe process of manufacturing iron has received considerable attention. It much simplifies the manufacture of finished iron.'

"The Bessemer patent expires in 1870, and will, it is believed,

reduce by 1*l.* per ton the present price of (say) 13*l.* per ton for Bessemer rails. Any discoveries which should render it possible to obtain steel at near the present cost of iron would be almost an industrial revolution. It would substitute for the present very imperfect material of ordinary iron, a product many times more enduring, trustworthy, and manageable and would be in its rapid consequences one of the most beneficent advances hitherto made in the application by science of the resources of nature.

"While speaking of the applications of science to purposes of practical life, we may refer to the details given in Appendix (W) of the probable course of Engineering enterprise in 1869 and subsequent years. It is tolerably clear that a large amount of capital will be absorbed either as municipal loans or in the ordinary joint stock form to the utilisation of sewage. The practical results already fully established at Croydon, Aldershot, Leamington, Edinburgh, Carlisle, and many other places, have removed all doubt of the commercial value of town sewage as a fertiliser when judiciously applied. The commission on the pollution of rivers will certainly lead in a year or two to stringent legislation against the admission of urban drainage into ordinary water courses, and the result will be a very rapid extension of schemes of sewage irrigation. Ocean Telegraphy is another of the recent fields of enterprise, and we print at foot two paragraphs,* which indicate new means of facili-

* "A new method of transport has lately been adopted in Leicestershire for conveying stone from Messrs. Ellis and Everard's granite quarry to the railway, a distance of three miles. The plan has been worked out by Mr. Hodgson, C.E., and consists in the employment of an endless wire rope, supported on pulleys, which are carried at a considerable height from the ground on stout posts, the entire arrangement having much the appearance of an ordinary telegraph line. A portable steam-engine drives the rope at about five miles an hour, and it carries with it a continual stream of boxes, each holding 1 cwt. of stone. The rope is endless, so that the full boxes travel at one side of the supports, and the empties return at the other, and the pendants by which the boxes are hung are specially formed to allow of their passing the points of support, which they do with perfect ease. This line crosses the country boldly, as an ordinary telegraph would, and from its cheapness, the rapidity with which it can be constructed, and the ease with which it can be moved, it seems probable the method will be found of considerable use in the development of the resources of new countries as a kind of precursor to the railway system.

"In March, 1868, the formation was mentioned of a limited company in *Australia*, called the Melbourne Meat Preserving Company. After the delay necessary for importing machinery and plant, and erecting buildings, the factory, it appears, commenced operations on the 18th of September, and has since been constantly at work. Thirty-five thousand sheep have been slaughtered, and 54,000 canisters of meat and 190 tons of tallow have been shipped to the company's agents in London, while 50,000 more canisters were in process of being filled. Confident expectations seem to prevail that the meat, as reported on by the Duke of Edinburgh, will come into extensive use, especially for ships. Several additional companies were actively engaged in making consignments of preparations by various other processes, and boiling down for tallow was again being largely resorted to. It is estimated that there are 45,000,000 sheep on the continent of Australia. In Melbourne fat sheep were selling at 4*s.* each for ewes, and 5*s.* to 7*s.* each for wethers. In the country districts of Victoria, good sound two-year-old ewes were sold with difficulty at 3*s.* 6*d.*, and fat wethers at 5*s.*

tating production and of bringing into profitable use the resources of partially settled countries.

“ VII.

“ The election of General Grant as President of the United States, in succession to Mr. Johnson, whose term of office expires in March (1869), has greatly simplified the aspect of American politics. There is a reasonable expectation that Grant's policy will be firm and moderate, and chiefly directed towards the practical measures necessary to restore a good understanding between the different territorial interests and political parties in the Union, and also to re-establish a firm and economical central control. The price of gold remains at about 135—that is to say, the forced paper currency is depreciated about 33 per cent. If we are right in the views expressed *ante* regarding the slow expansion of the American cotton crop, it is to be apprehended that the resumption of specie payments is still remote. We print in the Appendix (T) one or two remarkable papers from the New York *Commercial Chronicle*, intended to show on careful data that the present coin resources of the Union are not more than 32 millions sterling. We also print in Appendix (S) an abstract of the report of Mr. David Wells, the special commissioner of the treasury, pointing out the manifold defects of the present revenue system of the Union.

“ Specie payments will only become possible in the United States under three sets of circumstances, viz. :—(1) by the exports from the Union so far exceeding the imports as to occasion the receipt of large bullion remittances in discharge of the balance; (2) by the contraction of a loan large enough to redeem a considerable portion of the present depreciated paper; (3) by the enforcement of a scheme of taxation so vigorous as to create a surplus sufficiently ample to effect rapid reductions in the paper currency. So long as the cotton crop remains under 3 millions of bales, it is scarcely possible that it can contribute much towards the restoration of the specie standard. But a general retrenchment of expenditure over the American community may possibly take place, and produce early and marked diminution in the volume of imports. The probabilities, however, scarcely point to such a result, and it is to be apprehended that the restoration of specie payments is still far in the future. The circumstances of the United States at present are very different from the circumstances of this country after the Peace of 1815. Then England was almost the only producing country in Europe. Certainly it was the only country where security and invention had not been disturbed or destroyed by civil war or foreign invasion. And accordingly, after the dire effects of the bad harvest of 1816 had been surmounted, this country became the chief *selling country* in Europe, and naturally therefore the country towards which the gold and silver, liberated at length from hoards and reserves, gravitated as the readiest means of procuring those productions of which for the time England had a monopoly. The United States at present have no such monopoly. Before 1861 they had almost a monopoly in the supply of raw

cotton; but seven years of high prices have raised up a rivalry in India, Brazil, and Egypt, which the Southern States will never be able to extinguish.

“The efforts of the expiring Congress to maintain the national faith is commendable, but the real verdict will rest with two bodies yet to be assembled—namely, first with the new Congress to come into power in March, 1869, contemporaneously with General Grant; and second, with the Congress to be assembled after the decennial census of 1870 has re-adjusted the basis of representation according to the rising or falling population of the several States. It is quite ascertained that the re-distribution consequent on the census of 1870 will give about three-fourths of the votes in Congress to the western and newly settled States—that is, to the regions opposed in interest, sympathy, and tradition to the older Eastern States. There are already abundant indications that the western farmers have no very exact notions of national honour, and we candidly confess that we share the misgivings of those who look forward to the Congress of 1871 with no small apprehension. It is just possible that some unlooked-for tide of prosperity may intervene to lessen the gravity of the crisis, but if no such dispensation comes about the cause of honesty will be in peril.

“VIII.

“The railway companies have been in gradual course of recovery during 1868. The *Great Eastern*, under the competent leadership of the Marquis of Salisbury and a respectable board, has got rid of the disgraceful uproar which used to characterise its meetings, and appears to have at last entered upon a course of steady but slow recovery. The *Brighton Company* is also making progress. The *Midland* has already almost wholly recovered the status it lost in 1867. The *North British* and the *Caledonian* are emerging very slowly from their accumulated difficulties; and the *London, Chatham, and Dover* is still a prey to some hundreds of implacable litigants. The worst crisis however is quite surmounted. The applications for railway bills in the Session of 1869 are by comparison trifling, and there is every indication that for several years to come the existing companies will be left at peace, so far as wanton aggression is concerned. The truth is, that this country is already pretty well supplied with railway communication. The ground is filled up, and the great want is now that the companies in possession shall make a wise and liberal use of the supremacy they have acquired.

“Great progress has been made by several of the larger companies in substituting *Debenture Stock* for the loans falling due at irregular dates, and involving therefore a perpetual worry and expense of renewal. The extinction of this large volume of railway floating debt is a relief of the most important kind to the money market.

“The striking railway event of 1868 has been the energy and gigantic proportions of the policy developed by Russia. In Appendix (R) a description will be found of the systematic scheme of railway extension promoted by the Russian Government; and in Appendix (G) some account is given of the similar railway

extensions in Hungary and Austria, fostered by the new commercial spirit which has sprung up under the enlightened administration of Baron Beust and the restored franchises of Hungary.* Every mile of railway opened in Eastern Europe is a new guarantee given to the progress of civilisation and commerce. Hitherto the harvests of some of the most fertile of the south-eastern provinces of Russia have occupied ten months in reaching St. Petersburg or Riga—that is to say, were three times as far from English markets as the productions of the most distant province of China. Next to the extension of railways in the south-east of Europe, the most powerful means for promoting the advancement of those countries would be the accession of Austria and Hungary to the Zollverein—so as to include within one customs tariff and administration the entire 80 millions of people speaking the German language or subject to German Governments.

“IX.

“The revelation of the finance scandals of 1864-66 has received large additions during 1868. The directors of Overend, Gurney, and Co., Limited, have been committed for trial on a charge of conspiracy to defraud. The directors, or some of them, of Lane, Hankey, and Co., turned into a Company entitled the Merchants Company Limited, have met with the same reverse of fortune.

“Mr. Albert Grant has disappeared from the Credit Foncier, Limited, and has been constrained to repay a considerable sum to the shareholders. Peto and Co. have passed through the Bankruptcy Court. Mr. Shipman, the manager, before its stoppage, of the late Agra and Masterman’s Bank, has been ordered by the Court to pay 30,000*l.* for advances wrongfully made. The National Bank have been condemned by Vice-Chancellor Malins to pay 230,000*l.* to the liquidators of Charles Lafitte and Co., Limited, and four of the directors of the bank have been condemned in damages of the same amount for breach of trust. These are all pregnant examples, and they are only a sample of the style of recu-

* “The following table of imports into Austria during the last three years indicates the stride made by her commerce within that period, and which has been in a great measure consequent on the development of the railway system in extensive districts hitherto comparatively unknown :—

Table of Imports by the Imperial Board of Trade.

	1866.	1867.	1868.
	Cwt.	Cwt.	Cwt.
Coffee and tea	388,887	426,644	467,767
Chemicals and colour materials	301,490	611,609	657,683
Flax, hemp, wool, silk waste, cotton, &c.	1,021,021	1,435,404	1,635,437
Yarns	151,758	174,490	301,916
Cotton, silk, and linen goods	—	137,370	254,692
Machinery	87,766	175,218	436,825
Books	20,486	26,900	28,700
Total	1,971,408	2,987,635	3,783,020

perative litigation which has been prosecuted with amazing vigour by the class of contributories to defunct companies. Still, several of the worst cases, as, for instance, BARNED'S Banking Company, Limited, at Liverpool, remain hitherto unassailed.

"We give in Appendix (U) the liquidators' report of the failure of the Royal Bank of Liverpool.

"The new Parliament will scarcely be able to avoid passing a really sound Bankruptcy Bill in 1869; and the time cannot be far off when a Ministry of Justice, fortified by the sub-department of a public prosecutor, will effectually take away some of the worst scandals of our present mercantile law.

"The directors of the notorious *Credit Mobilier* of Paris have been compelled to pay 1,440,000*l.* as a contribution towards the losses sustained by the shareholders.

"There has been a virtual cessation in the formation of companies; but public attention has not been sufficiently directed to the defects and vices of the present system of the liquidation of companies ordered to be wound up. The profits of this liquidating business are so great that there cannot be a doubt that in hundreds of cases virtual conspiracies are entered into between accountants and solicitors to force into liquidation companies really able to meet all business claims upon them without any process of law. No bankruptcy legislation will be satisfactory which does not deal with this part of the joint stock system.

"One of the plainest results of the calamities of 1866 is the proof they afford of the almost entire incompatibility of the two functions of contractor and financier. Nearly all the financing contractors—beginning with Peto and Co., and descending to very small people—have been ruined. The theory of the financing contractor was to provide both materials and money for his employers. Railway Company A got their Act and their compulsory clauses, and their power to create so many ordinary shares, so many preference shares, and issue so many debentures. Then came in the financing contractor. His calculation was that the *bonâ fide* price of the work to be done, was (say) 60*l.* if paid in cash, but cash there was none. The 60*l.* had therefore to be taken in debentures and preferences, with so many ordinary shares as a contingent bonus, and the nominal amount of these paper securities given for the 60*l.* might be 100*l.* or 120*l.* or 150*l.*, according to circumstances and the "peculiarities" of the case. It was in this way that the nominal capital of the 110 miles of the London and Chatham and Dover Railway has been run up to 17 millions sterling, when the real cash value of the work and labour done may be less than a third of that amount. The financing contractor having made his agreement for payment in paper, set about raising real money as well as he could, the entire operation being of course a speculation on the amount of net revenue to be earned by the line when really finished. At this part of the history came into play the 'institutions of credit'—Overend and Co., the Imperial Mercantile Credit, the London Financial Association, the Joint Stock Discount Company, the Bank of London, BARNED'S Bank, and the rest. These enterprising bodies lent the cash obtained from their shareholders and depositors

on the promissory notes and securities offered by the contractor, and when all the actual cash was gone ingenious devices of having bills of exchange—close imitations of the ordinary trade bills—drawn abroad, were plentifully employed, with a view of getting money in the discount market. Meantime the lines of railway were being gradually discovered to be mistakes; and in the course of a short time, as we all know, the financing contractor broke down; the works were stopped in the middle of a tunnel or halfway over a valley; the debentures and preferences were waste paper; the contractor became a bankrupt, paying a dividend a few farthings in the pound; and the Finance Company, passing into the hands of a liquidating attorney and accountant, proceeded at a rapid pace to call up every sixpence of the remaining capital.

“The lesson to be learnt from all this is simply—that as soon as the contractor starts financing he becomes a dangerous person. His real function is to build for cash prices. The persons employing him must provide that cash, and it is precisely the obligation of finding it which will restrain them from setting on foot speculative and chimerical projects. The experience of 1866 has rendered familiar a new class of unsound and reprehensible securities—namely, the ‘finance bills,’ which in all sorts of shapes had been in large circulation during the previous three years.

“X.

“It is quite doubtful whether during 1866, 1867, and 1868, this country has added much to its Accumulated Wealth. In ordinary years the actual savings are perhaps nearer 200 than 100 millions sterling. But during the last three years scarcely any important trade has been profitable. The cotton manufacturers are certainly as a body poorer. They have carried on their mills in a large proportion of cases at the expense of capital. The same is true, but not quite to the same extent, of the iron trade. Shipping has been comparatively unprofitable. The large importing trades have been unfortunate. Railway property and railway dividends have extensively fallen off—in many cases disappeared altogether. The cattle plague has nearly ruined several counties—Cheshire for example. The bad harvests of 1866 and 1867 have imposed a special tax on the country of perhaps 50 millions sterling. The building trades have been bad, and the owners of house and shop property have had great difficulty in finding tenants at adequate rents. Besides all these sinister influences there have been the effects of the positive waste of scores of millions of capital in the idle and profligate schemes of the prosperity years. The millions for example spent on the London, Chatham, and Dover Railway, and in the class of superfluous lines of which it is the type, are all as completely wasted as if fired away in shot and gunpowder. So are the vast amounts of capital dissipated by the wretched stupidity of Overend and Co., and the financing banks and companies. Against all these causes of loss must be set on the other side an unknown but very potent quantity—that is to say, the results of severe retrenchment exercised in a country like this by the higher and middle classes. Saving goes on at a great rate when a population of thirty millions

of energetic people fairly address themselves to effect it; and something like such an effort has been in progress since the calamities of 1866. Nor has the saving been limited to mere personal expenditure. It has been most rigidly applied to every manufacturing process. The cry has been and is for economy of production and efficiency of service, and we are justified in expecting that 1869 and 1870 will exhibit some of the reviving consequences of this severe course of national self-examination. One larger result will scarcely fail to be permanently secured—namely, the creation of a fixed public opinion in favour of such a change in the present character of popular education as will render it better adapted to boys and girls who have to live by wages earned in useful trades. The education must become less literary and theological, and more economic and industrial—that is to say, must deal plainly, and as fully as may be practical, with the kinds of knowledge which relate to wages, health, production, and technical skill.

“XI.

“Very little has been heard for a long time of the alarms which prevailed extensively twelve or fourteen years ago, regarding the then apprehended depreciation of gold. Latterly the fear has been rather of an opposite kind—for, as will be seen by the following Table (IX), the annual supplies of gold from new sources are sensibly declining.

(IX).—*Gold and Silver. Total Average Annual Production (partly estimated) in Periods of Years, 1849-68.*

[00,000's omitted, thus 13,5 = 13,500,000.]

Years.	Periods of Years.	Gold.			Silver.		
		Old Sources.	New Sources.	Total.	Old Sources.	New Sources.	Total.
		Mln. £	Mln. £	Mln. £	Mln. £	Mln. £	Mln. £
3	1849-51	13,5	10,3	23,9	15,5	—	15,5
5	'52-56	14,0	24,7	38,7	16,1	—	16,1
3	1857-59	14,6	21,9	36,5	16,1	1,0	17,1
4	'60-63	15,3	18,3	33,5	15,2	3,0	18,2
5	1864-68	15,6	14,4	30,0	15,0	4,5	19,5
20	Total	292,	365,	657,	309,	36,	345,
20	Annual average	14,	18,	32,	15,	2,	17,

“The falling off in the supplies from new sources—that is, Australia, New Zealand, California, and British Columbia—at present is more than 40 per cent. as compared with the maximum period 1852-56. In Appendix (Q) will be found the official report of the Victorian (Australia) gold mines for 1867; and also a statement of the production of gold and silver in California. In

Victoria the decrease in the number of miners and the increase in their average earnings is remarkable. Thus—

Victoria (Australia). Number of Gold Miners and the Average Earnings of Each, 1859-67.

Year.	Number of Miners.	Average Earnings.	Year.	Number of Miners.	Average Earnings.
		£ s. d.			£ s. d.
1859 ...	125,764	—	1864 ...	84,986	74 1 9
'60 ...	108,562	79 9 3	'65 ...	79,457	74 4 2
'61 ...	100,463	74 15 11	'66 ...	70,794	80 8 3
'62 ...	93,379	67 17 10	'67 ...	63,053	87 1 7
'63 ...	92,994	70 9 2			

“The effect of the ‘lottery ticket’ nature of gold mining is curiously apparent in these figures. Probably most of these men could earn more than 87*l.* a-year at any ordinary trade, and so save themselves the untold hardships and disappointments of the gold fields. But then an ordinary trade would not afford any chance of finding nuggets of half a hundred weight each, and of bounding therefore by a single venture to the top of the colonial society. It is the same lottery principle which at home fills the law and church with educated men who work year after year for nothing, and less than nothing, but consoled with the possible reversion of Lambeth Palace and the Chancellor’s robe.

“The maximum and minimum years of *gold* production in Victoria and California have been as follows:—

Place.	Years.	Maximum.	Years.	Minimum.
		£		£
California	1853	11,500,000	1867	5,000,000
Victoria	'56	12,000,000	„	5,700,000
		23,500,000		10,700,000

“The silver mines of Nevada, in California, have been at work since 1859, and the annual produce has already reached $4\frac{1}{2}$ millions sterling, with every probability of large increase. The production of gold in New Zealand is over 2 millions sterling per annum.

“It may be safely affirmed that the present annual supply of 30 millions sterling of gold is no more than sufficient to meet the requirements of the expanding commerce of the world: and prevent that pressure of transactions and commodities on the precious metals, which means in practice insufficient bullion reserves, and therefore high and fluctuating rates of interest, and prices and wages constantly tending towards decline. Let us again point out to persons who take an interest in this subject that there are immense masses of depreciated paper money in Europe and America, which sooner or later must be replaced in a large degree

by gold and silver. Russia, Austria, Italy, Turkey, Greece, Spain, are all overrun with notes of forced circulation. The United States, Brazil, Buenos Ayres, and nearly all the South American countries, are in the same condition. In India only (see Appendix V) has a system of sound paper currency been established, which in the course of twenty or thirty years may by remote possibility lead to a real economy of coin in that country. At present the bank notes are less than 10 millions sterling, probably not a thirtieth part of the entire circulation of the Presidencies. It is true that the prices of many commodities seem to be higher than before 1850, but the disturbing causes which have been in constant operation must be remembered—wars in India, China, Europe, and North and South America, the cessation of slave labour, rebellion in China, serf-emancipation in Russia, and fifty other causes, all tending to disturb former methods of production; and besides all this, there has been a most sensible elevation in the general standard of living. The same income applied rigidly to the same wants as twenty years ago would give the same results; but the present difficulty consists, in perhaps the largest degree, in the catalogue of wants having been expanded by the inclusion of many things which were hitherto luxuries. A recent writer (M. Bonnet) in the *Revue des Deux Mondes* (15th November, 1868) has insisted upon these points in an essay which will produce useful results, especially in France, where the tendency of opinion has inclined to the opposite side. The real danger is that the present supplies of gold should fall off, and among the greatest and most salutary events that could now occur would be the discovery of rich gold deposits in three or four remote and neglected regions of the earth—South Africa, for example, from which indeed some indications of gold have lately come; Asia Minor, Northern Australia, or Birmah. Nothing short of the attraction of a gold field will effectually open up these fertile regions for scores of years.

“We close our review of 1868 with the consoling reflection that it is perhaps the last of a dark series. We enter on 1869 with prospects not brilliant in any degree, but with a reasonable probability of being able before next year arrives to say that our population are better employed, fed, and clothed, than since 1865.”

Much and important information is given in the appendix to the original; for lack of room, only the titles of each part can be given here, but they give some indication of their nature and contents.

A.—Wholesale Prices of Commodities in London and Manchester:
Average of Six Years, 1845-50: Selected dates, 1851-67:
and Monthly, 1868.

B.—Foreign Exchange, 1841-68.

C.—Wholesale Prices, 1845-68: Proportionate Results.

D.—Bank of England: Weekly Return.

- E.—Bank of France.
- F.—Imports of Gold and Silver, in Millions Sterling, into the United Kingdom, 1863-68.
- F.—Exports of Gold and Silver, in Millions Sterling, from the United Kingdom, 1863-68.
- G.—Commercial Progress in Austria and Hungary: 1867-68.
- H.—United Kingdom: Imports and Exports of Gold and Silver Bullion and Specie in the Years 1867-68.
- I.—Gold and Silver, 1851-68: Exports to Egypt and the East, from United Kingdom, &c.
- J.—Prices of Grain: England and Wales: Calendar Year.
- K.—Financial and Commercial Events, 1868.
- L.—Agricultural Returns in Great Britain and Ireland for the Year 1868.
- M.—The January (1869) Meetings of the London Joint Stock Banks.
- N.—The London Discount Companies.
- O.—Statistics of the London Bankers' Clearing House, 1867-68.
- P.—Banking in Scotland, 1868.
- Q.—Gold Mining Statistics of Victoria, 1867-68.
- R.—The Rapid Railway Extension in Russia.
- S.—United States: Report of December, 1868, by Mr. David Wells, Special Commissioner of the Revenue.
- T.—United States: Schemes of resuming Specie Payments: Estimates of Resources in Coin and Bullion.
- U.—Failure (in October, 1867) of Royal Bank of Liverpool: Report of Liquidators, 28th November, 1868.
- V.—Progress of Bank Note Circulation in India: Official Report for Year ended 31st March, 1868.
- W.—Probabilities of Engineering Progress and Undertakings in 1869.
- X.—Revelations of Finance Mongering, 1865-66.

II.—*General Election, 1868.*

[THE Editor has collected from the newspapers (*Daily News* and *Standard*) of the two leading political parties, the following four collections of facts relating to the General Election, 1868—the first election

under the enlarged suffrage. Several passages of mere party complexion have been omitted from the articles. It is considered desirable to preserve these statements, as exhibiting the manner in which the same class of facts were regarded by contemporaries of opposite politics.]

I.

From the *Standard* of the 5th December, 1868 :—

" 1. The great centres of population and intelligence have unmistakably expressed themselves in favour of Conservatism. Lancashire, which in 1865 returned three Conservatives and two Liberals, has in 1868 returned eight Conservatives. Middlesex, which returned two Liberals last election, has now sent but one, and that one would not have been elected had a second good Conservative been started. In Cheshire, Derbyshire, Devonshire, Kent, Lincoln, Norfolk, Somerset, Surrey, and York, the new seats have been seized upon by the Conservatives. In addition, one of the old seats in Cumberland, Derbyshire, Kent, Nottingham, Rutland, Salop, Surrey, Sussex, and Worcester, have followed the same example.

" 2. Mr. Disraeli saw that the minority principle would work against his party. Having the majority in Liverpool and Manchester, the Conservatives should have got the six seats there instead of three. They had one in Leeds, which they retained, and would have gained one in London. Under this clause they have lost six seats, one each in Berkshire, Buckinghamshire, Cambridge, Oxford, Hereford, and Dorset.

" 3. Notwithstanding these gains to the Liberals, there are thirteen counties in England that have not elected a Liberal, while there is only one (Cornwall) which has not elected a Conservative.

" 4. The *English counties* (containing nearly one-half of the population of the United Kingdom) have increased the number of *Conservative* representatives from 94 in 1865 to 126 in 1868: while the Liberals have lessened theirs from 50 in the former years to 46 in 1868. Had the minority principle not applied in the counties, it would have given the Conservatives six additional seats.

" 5. The *counties for the United Kingdom* have returned 168 Conservative members in 1868 against 144 in 1865, while the Liberals, who returned 108 in 1865, return 114 in 1868; they lost four seats in England, but gained three in Wales, one in Scotland, and four in Ireland.

" 6. The *boroughs of the United Kingdom*, which returned 138 Conservative members in 1865, only returned 102 in 1868. These constituencies returned 273 Liberals in 1865, and only 263 in 1868. The loss to the Conservatives upon these constituencies was thirty-two, and to the Liberals ten.

" 7. This loss took place in the *small*, not the large constituencies. *Cities and towns* of upwards of 30,000 inhabitants have increased the number of Conservative representatives by six, while the Liberals have only increased theirs by five; in *towns* with a population between 15,000 and 30,000, the Conservatives gained one seat and the Liberals three seats; while in *towns* of under 15,000, the Conservatives have lost forty-three seats and the Liberals only twenty. The numbers stand thus :—

	Conservatives.		Liberals.	
	1865.	1868.	1865.	1868.
Towns upwards of 30,000	28	34	104	109
„ 15,000 to 30,000	16	17	68	73
„ under 15,000	94	51	101	81
Total	138	102	273	263

The representatives of the *smaller towns* formed 68 per cent. of the Conservative strength in 1865, and only 50 per cent. in 1868, while those representatives which were 37 per cent. of the Liberal strength in 1865, are 31 per cent. in 1868.

"8. There is a tendency in new borough constituencies to go with the reformers; hence the Conservative gains in the towns between 15,000 and 30,000 inhabitants have not been so great as their opponents.

"9. The Conservatives have not lost ground in *England*, but the Liberals have. The former had 221 seats in 1865; they have the same number now. The Liberals had 253 English seats in 1865; now they have only 241. Their gains have been in the other parts of the empire; their losses have been in England.

"The electoral returns of 1865 and 1868 show the following results:—

	Conservatives.		Liberals.	
	1865.	1868.	1865.	1868.
<i>England—</i>				
Counties	94	126	50	46
Boroughs	123	91*	202	194*
Universities	4	4	—	1
Total	221	221	252	241
<i>Wales—</i>				
Counties	9	6	6	9
Boroughs	1	2	12	13
Total	10	8	18	22
<i>Scotland—</i>				
Counties	10	9	19	22
Boroughs	—	—	23	26
Universities	—	—	not elected†	
Total	10	9	42	48
<i>Ireland—</i>				
Counties	31	27	33	37
Boroughs	14	11	25	28
University	2	2	—	—
Total	47	40	58	65
<i>United Kingdom—</i>				
Total	288	278	370	376

* Horsham, double return, one seat.

† Not included, Orkney and Scotch universities, three seats.

"The aspect of these returns, as regards population and representation, is shown in the following table:—

	Conservatives.		Liberals.	
	Members.	Population.	Members.	Population.
<i>Counties—</i>				
England	126	7,424,650	46	3,173,084
Wales	6	272,561	9	495,799
Scotland	9	298,732	22	1,505,748
Ireland	27	2,277,989	37	2,703,900
Total	168	10,273,932	114	7,878,531
<i>Boroughs—</i>				
England	89	1,973,396	196	6,409,245
Wales	2	27,412	13	317,687
Scotland	—	—	26	1,292,328
Ireland	11	229,403	28	464,065
Total	102	2,480,211	263	8,483,325
Boroughs and counties United Kingdom }	270	12,754,143	377	16,361,856
<i>Universities</i>	6	—	1	—
	276	—	378	—

"The total population of the counties is 18,152,463, and the total population of the boroughs 10,963,536. The former have only 282 representatives, while the latter have 365. Were the representation distributed according to population, the counties should have 403 members and the boroughs only 244. Supposing that such a redistribution had been made, and that each party had returned its representatives in the same proportion, the return would stand thus:—

Number of Members.		Conservatives.	Liberals.
403	Counties	240	162
244	Boroughs	69	176
647		309	338

"These figures show the weight of public opinion as expressed in the elections.

"This view is supported to a certain extent by the following summary of the number of members and the population in each part of the United Kingdom:—

Boroughs and Counties.	Conservatives.		Liberals.	
	Members.	Population.	Members.	Population.
England	215	9,398,046	242	9,582,329
Wales	8	299,973	22	813,486
Scotland	9	298,732	48	2,798,076
Ireland	38	2,507,492	65	3,167,965
Universities	6	—	1	—
	276	12,754,143	378	16,361,856

II.

From the *Daily News* of the 3rd December:—

"The contests throughout the General Election of 1868 have been more numerous than at any election which has taken place for very many years. Of the 493 members who sit for constituencies in England and Wales, 377 have had to fight for their seats, and 116 have been returned unopposed—70 in thirty-seven counties, and 46 in thirty-eight towns.

"The *counties* in which there have been *no contests*, are Anglesea, Bedford, Brecknock, Bucks, East and West Cheshire, East and West Cornwall, West Cumberland, Dorset, West and South Essex, Flint, Glamorgan, East Gloucester, North Hants, Huntingdon, North and Mid Lincoln, Merioneth, Montgomery, West Norfolk, North Northampton, North and South Northumberland, North and South Notts, Oxford, Pembroke, Radnor, Rutland, West Somerset, West Sussex, Westmoreland, South Wilts, West Worcester, and the northern division of the West Riding.

"The *uncontested boroughs* were Bridport, Calne, Cardigan, Dorchester, Dudley, East Retford, Eye, Flint, Grantham, Harwich, Huddersfield, Huntingdon, Kendal, Launceston, Lincoln, Liskeard, Malton, Marlborough, Middlesborough, Montgomery, Morpeth, Newport, Petersfield, Radnor, Shaftesbury, Shoreham, Stamford, St. Ives, Stoke-on-Trent, Swansea, Tavistock, Tiverton, Tynemouth, Walsall, Wenlock, Wilton, Wolverhampton, and Wycombe.

"The *total number of votes polled* for candidates in England and Wales has been 2,055,507, of which 1,231,450 have been given for Liberals, and 824,057 for Conservatives. There is thus a balance in favour of the Liberals of 407,393 votes. There are 265 *Liberal members*, 59 of whom obtained their seats without a contest. Thus the 1,231,450 votes, divided between the 206 Liberal members who fought for their seats, give to each an average of 5,978. Of the 227 *Conservative members* for England and Wales, 57 did not fight for their seats, and dividing the 824,000 votes between the 170 who did fight, there is an average of 4,847 votes to each. The Liberals have thus a balance in England and Wales of 1,131 votes for each M.P. who underwent a contest.

"Of the fifty-seven seats in *Scotland* which have been filled up to this time, twenty-six, in the proportion of sixteen county to ten borough seats, were not contested. The counties which thus escaped the turmoil of a political struggle are East and West Aberdeen, Argyll, Banff, Berwick, Clackmannan, Dumbarton, Elgin and Nairn, Forfar, Inverness, Kincardine, North Lanark, Renfrew, Ross and Cromarty, Stirling, and Sutherland. The towns, Aberdeen, Edinburgh, Elgin, Haddington, Hawick, Inverness, Kirkcaldy, Perth, and St. Andrews. The *total number of votes polled* for candidates has been 123,410 for the Liberals, and 23,391 for the Conservatives. The Liberal balance of votes in Scotland, is, therefore, 100,019. Of the fifty Liberals returned in Scotland up to this time, twenty-three obtained their seats without a contest. Dividing the 123,000 Liberal votes between the twenty-seven members who fought for their entry into Parliament, an average of 4,645 falls to each. Of the seven Conservative members returned for Scotland, only four fought for their seats, and dividing between them the 23,391 Conservative votes given, each would represent 5,848. When, however, we deduct from the total number of Tory votes, the 10,814 given to the unsuccessful candidate at Glasgow, it is seen that each of the Conservative members who fought a contest, represents only 3,144 votes, or 1,500 under the average given for the Liberal members.

"*Ireland* returns 105 members, in the proportion of 66 Liberals to 39 Conservatives. No less than sixty-nine seats in the sister island have been uncontested, fifty-six in the counties and thirteen in the towns. The *uncontested counties* were Antrim, Armagh, Carlow, Cavan, Clare, Donegal, Down, Fermanagh, Galway, Kerry, Kildare, Kilkenny, King's County, Leitrim, Limerick, Londonderry, Longford, Louth, Mayo, Monaghan, Queen's County, Roscommon, Tipperary, Tyrone,

Wicklow, Waterford, Westmeath, and Wexford. The boroughs in which there were no contests were Armagh, Clonmel, Coleraine, Downpatrick, Dungannon, Ennis, Kilkenny, Kinsale, Lisburn, Mallow, New Ross, Tralee, and Wexford. The number of votes given in Ireland was 89,461, in the proportion of 53,379 for Liberals, and 36,082 for Conservatives. There was thus a balance in favour of the Liberals of 17,297. Of the sixty-six Liberals returned, only twenty-two were called upon to do battle for their seats, and dividing between them the 53,379 votes, each would represent an average of 2,426. Of the thirty-nine Conservative members, only twelve fought their way into Parliament, so that each represents an average of rather over 3,000 votes. This is a somewhat higher proportion than that represented by the Liberals; but it must be remembered that Sir Arthur Guinness, M.P. for Dublin, represents 11,000 Tory votes, and that Mr. William Johnston, one of the members for Belfast, represents the like number, as there were three Conservative candidates for that borough.

"Throughout the elections the highest number polled was by Mr. Dalglish, at Glasgow, who came in at the head with 18,281. The highest number recorded for an unsuccessful candidate exceeded 15,000, and this number was polled by Mr. Massey, at Liverpool. The lowest winning number is shown by Captain Dawson Damer, at Portarlington—68.

"Distinguishing the three kingdoms, the following table shows the total number of votes recorded on each side, with the Liberal balance:—

	Liberal Vote.	Conservative Vote.	Liberal Majority.
England and Wales	1,231,450	824,057	407,393
Scotland	123,410	23,391	100,019
Ireland	53,379	36,082	17,297
	1,408,239	883,530	524,709

"The ninety-two constituencies gained by the Liberals throughout the elections, contain a population of 6,611,950, while the sixty-nine won by the Conservatives, contain a population of 5,177,534. The balance on the side of the Liberals is therefore 1,434,416."

III.

From the *Daily News* of 3rd December also:—

"Stated broadly, there were 509 Reformers and 149 Tories returned to the first reformed Parliament, 1832. In reality, not more than 400 members could be classed as consistent followers of Earl Grey. Upwards of 100 were Liberals who clamoured for changes, some of which were impracticable and others mischievous. Ireland sent thirty-eight representatives pledged to demand the repeal of the union. These men united with the professed independent members, embarrassed the ministry by vexatious motions, and aided the Tories to obtain victories which their numerical strength was inadequate to achieve. The result was to give the king an opportunity, on the elevation of Lord Althorp to the peerage, in 1834, to dismiss his ministers and summon Sir Robert Peel to his councils. After an existence of one year and eleven months, the first reformed parliament was dissolved, and Sir Robert Peel called for the verdict of the country. The consequence of this appeal was equivalent to a condemnation of his administration and its policy, for the liberal majority was fifty-four. This was not an overwhelming but a compact and working majority. The Liberal party was again consolidated, the men of crotchets having been banished to a merited obscurity.

"Little more than a month after the second reformed Parliament had met at the bidding of a Tory premier, Lord John Russell moved the first of the many notable resolutions by which Liberals have pledged themselves to remove the

grievance of an alien church in Ireland, defeating the ministry by a majority of sixty-seven. Soon afterwards the Liberals returned to power, only to find themselves hampered in their schemes by the obstinate opposition of the House of Lords. In 1837 they appealed to the country, and found that the country was not then ripe for the measures they had proposed. They met Parliament with the small majority of sixteen in their favour. Another dissolution took place in 1841, under the premiership of Viscount Melbourne, when the Tories triumphed, a Tory majority of eighty-two being obedient to the leadership of Sir Robert Peel. The accession of Sir Robert to office did not, however, lead to a turning backwards on the highway of progress, because it was when heading this strong force of supporters that he performed his most heroic achievement—repealed the corn laws—and immortalised his name.

“The next general election took place in 1847, when Lord John Russell was premier, and parties were in a state of utter confusion. The adherents of the Government formed one party. The personal followers of Sir Robert Peel constituted another. Those who gloried in the name of Protectionists, rallied to the standard of Lord Derby. Strictly speaking, the liberal majority was eighteen only. This implied, what was accounted an impossibility, a coalition between the Peelites and the Protectionists, yet it is not wonderful that, under these circumstances, the Government should have been insecure. On unimportant questions it underwent defeats which were humiliating rather than disgraceful. The end came by a final resignation, which was preferable to a continuance in office without the power of effecting necessary changes. Lord Derby assumed office in 1852 for the purpose of giving scope to his declared policy, but an adverse majority of thirty-nine made him reconsider his position. Several changes of ministry followed, the end being that Lord Palmerston became first minister of the crown. Strong in the consciousness of his strength, he appealed to the country in 1857, when his policy with regard to China was seriously called in question, and had the anticipated response in a majority of eighty-seven members. His imprudence alienated these supporters, and Lord Derby again became Premier of England. He dissolved Parliament in 1859, and was placed in a minority of fifty-one. Of this Lord Palmerston took advantage, and secured his return to the premiership, an office which he filled till his death. Shortly before he died, Parliament, in July, 1865, was dissolved, having come to the end of its term, and the Liberal party returned, reinforced with a majority of seventy-four. How this was diminished, owing to the secession of some, and the eccentricity of others, during the premiership of Earl Russell, must be fresh in the memory of every reader. It was not till the Tories had thereby been restored to office, and put to the crucial test by Mr. Gladstone when he moved the disestablishment and disendowment of the church in Ireland, that a liberal majority of sixty-six was secured. For the third time during the past sixteen years, and for the *fourth* since the passing of the first Reform Act, the country has been appealed to emphatically. The minimum majority in favour of Mr. Gladstone (in 1868) and the policy of the party which he leads is 107.

“The most fitting conclusion to this summary is the reproduction, in a tabulated form of the figures quoted above:—

Date of General Election.	Premier.	Reformers.	Tories.
1832	Earl Grey Liberal majority, 360	509	149
'35	Sir Robert Peel Liberal majority, 54	356	302
'37	Viscount Melbourne Liberal majority, 16	337	321
'41	Viscount Melbourne Tory majority, 82	288	370

Date of General Election.	Premier.	Liberals.	Peelites.	Protectionists.
1847	Lord John Russell	338	120	200
'52	Ministerial majority, 18 The Earl of Derby	339	—	319
	Liberal majority, 20			

Date of General Election.	Premier.	Liberals.	Tories.
1857	Viscount Palmerston	371	287
	Liberal majority, 85		
'59	The Earl of Derby	353	302
	Liberal majority, 51		
'65	Viscount Palmerston	366	292
	Liberal majority, 74		
'68	Right Hon. B. Disraeli	—	—
	Minimum Liberal majority, 107		

IV.

From the *Daily News*:—

"The returns to the Reformed Parliament (1868) must have effectually dispelled the apprehensions of those who feared the unchecked rule of the democracy. The 'great governing families' have lost little, if any, of the influence which they possessed in the House elected under the more restricted franchise. Some noble houses have suffered losses, but these have been counterbalanced by the victories of others. The house which has suffered most severely is that of *Cavendish*. In the last Parliament there were the Marquis of Hartington for North Lancashire, Lord F. C. Cavendish for the North-West Riding, Lord E. Cavendish for East Sussex, and Lord George Cavendish for North Derbyshire. The four have been reduced to two; and the Marquis of Hartington and his brother, Lord Edward, are for the time excluded. The *Duke of Abercorn* has still the satisfaction of seeing two sons and a brother in the House of Commons, the defeat of Lord C. J. Hamilton in Londonderry having been balanced by the election of his younger brother for Middlesex. The family of the *Marquis of Ailesbury* is still represented by two members—Lord Charles Bruce in North Wilts, and Lord Ernest at Marlborough. There are two members of the noble house of *Russell*—Mr. Hastings in Bedfordshire, and Mr. Arthur at Tavistock; while Lord Amberley, who went from Nottingham to South Devon, has lost his seat. *Lord Derby's* two sons are still in the House, Captain Stanley, the younger, now sitting for North Lancashire. The eldest son of the *Duke of Buccleuch* has been defeated in Midlothian; but his younger brother, Lord Henry Scott, was more fortunate; he now sits for South Hants, his former constituency, the county of Peebles, having been united to that of Selkirk. The two members of the *Cowper* family are still in the House—the Right Hon. William Francis for South Hants, and the Hon. Henry Cowper for Hertfordshire.

"The *Earl of Lonsdale*, now 81 years of age, still sees four representatives of Lowther Castle in the House of Commons. These are Colonel Lowther, heir presumptive to the title, who sits for West Cumberland, Mr. William Lowther, M.P. for Westmoreland, Mr. James Lowther, the Conservative member for the city of York, and Mr. Cavendish Bentinck, the elect of the burgesses of Whitehaven. There are again four *Egertons*, who will invariably vote with the Conservatives, the Hon. Algernon Fulke, for South-East Lancashire; Mr. Edward Christopher for East

Cheshire; Sir Philip de Malpas Grey, for West Cheshire; and the Hon. Wilbraham, for Mid Cheshire. For once, however, there is a Liberal member in the House bearing the name of Egerton. He has been sent, in company with the Hon. H. Strutt, from the new division of East Derbyshire. Lords John and George Manners, for North Leicester and Cambridgeshire respectively, continue to remind us that the *Duke of Rutland* has two brothers in the House of Commons. The *Leveson-Gowers* have held their own—Lord Ronald in Sutherlandshire, and the Hon. Edward Frederick at Bodmin. So also has the house of *Tredegar*, two members of the family of Morgan having again been returned for the counties of Brecknock and Monmouth. Colonel Poulett Somerset was successful in Monmouthshire, while Colonel E. A. Somerset, after a twelve months' tenure of his seat, has been ejected from West Gloucestershire. The *Grosvenor* family is still represented by three members—Earl Grosvenor at Chester, Lord Richard in Flintshire, and the Hon. Robert Wellesley in Westminster. The eldest son of *Earl Fitzwilliam* continues to represent the southern division of the West Riding, and the Hon. C. W. Fitzwilliam again sits for Malton. The Hon. Charles Howard has come in once more for East Cumberland, while Lord Edward has been defeated at Preston. The Earl of *Enniskillen* has the satisfaction of seeing his second son again the representative of Fermanagh, while in Enniskillen his third son has given place to Lord Crichton, eldest son of the Earl of Erne.

"Two brothers of the *Duke of Newcastle*, who sat in the last Parliament, Lord E. P. Clinton for North Notts, and Lord Arthur for Newark, did not offer themselves for re-election. Two sons of *Lord Leconfield* are again in the House—the Hon. Henry Wyndham for West Sussex, and the Hon. Percy Scawen for West Cumberland. Of the members of the *Feversham* family, Admiral Duncombe abandoned the East Riding to stand for Leeds, where he was defeated, and Colonel Duncombe has been re-elected for the North Riding. The two brothers of the *Duke of Richmond*, Lord Henry Lennox at Chichester, and Lord George at Lymington, have retained their seats after contests. Lord Mayo has left Cocker-mouth, but a member of the family of Bourke has come in for King's Lynn. A division of Kent has remained faithful to Lord Holmesdale, Tipperary to the Hon. Captain White, Cavan County to the Hon. Hugh Annesley, Argyllshire to the Marquis of Lorne, South Wilts to Lord H. F. Thynne, North Shropshire to Lord Newport, West Suffolk to Lord Augustus Hervey, the county of Galway to Viscount Burke, Kilkenny County to the Hon. L. F. Agar-Ellis, Dorset to the Hon. W. H. Portman, South Shropshire to General Percy Herbert, the two divisions of Northumberland to a Percy and a Liddell, and a division of Essex to Lord Eustace Cecil. Other counties return members of the houses of Strafford, Walsingham, Wemyss, Buller, Fitzgerald, Gainsborough, Hardwicke, Headfort, Henniker, Howe, Lucan, King, O'Neill, Ormathwaite, Downshire, and Lyttelton.

"The members of noble houses who sit for boroughs are considerably fewer in number. Amongst them, exclusive of those already mentioned, are Mr. Berkeley for Bristol, Mr. Villiers for Wolverhampton, Colonel Crichton-Stuart for Cardiff, Lord Pelham for Lewes, Lord Bury for Berwick, Mr. Denman for Tiverton, Mr. Hanbury-Tracy for the Montgomery Boroughs, Captain Vivian for Truro, Mr. Arthur Kinnaird for Perth, Mr. Cadogan for Crickdale, Mr. Tollemache for Grantham, Lord Sandon for Liverpool, Colonel Edwardes for Haverfordwest, and Lord St. Lawrence for Galway. Mr. Bathurst retains his seat at Cirencester, Captain Carrington at Wycombe, Mr. Dudley Fortescue at Andover, Sir George Grey at Morpeth, Mr. Bouverie at Kilmarnock, Lord John Hay at Ripon, General Forester at Wenlock, and Major Knox at Dungannon. Lord Courtenay, who in the last Parliament sat for Exeter, now represents East Devon. Altogether the ranks of the aristocracy have suffered little or no diminution from the exercise of the franchise by the householders, the 5*l.* copyholders and leaseholders, and the 12*l.* voters in the English counties."

III.—Cost of Lancashire Voters per Head.

WE obtained the following from the *Times* :—

“As the contests in the Parliamentary elections of November, 1868, for Lancashire were watched with more than ordinary anxiety, the following statement of the number of registered electors in the fifteen boroughs and four divisions of the County; the official returns of the amount expended on behalf of each candidate; the number of votes polled for each, and the average cost of each vote, will be interesting to the curious in such matters :—

Boroughs and Candidates.	Registered Electors.	Votes Polled.	Amount Expended.	Average Cost per Vote.
ASHTON-UNDER-LYNE	4,822		£	s. d.
T. Mellor (C.)	—	2,318	584	5 — $\frac{1}{2}$
T. M. Gibson (L.)	—	2,109	300	2 10
		4,427	884	4 —
BLACKBURN	9,714			
W. H. Hornby (C.)	—	4,907	} 1,269 {	2 7
Jos. Feilden (C.)	—	4,829		2 7 $\frac{1}{2}$
J. G. Potter (L.)	—	4,399	} 1,674 {	3 9 $\frac{1}{2}$
M. J. Feilden (L.)	—	4,164		4 —
		18,299	2,943	3 3
BOLTON	12,653			
J. Hick (C.)	—	6,062	} 1,510 {	2 5 $\frac{3}{4}$
Colonel Gray (C.)	—	5,848		2 6 $\frac{1}{4}$
T. Barnes (L.)	—	5,451	} 974 {	1 9 $\frac{1}{4}$
S. Pope (L.)	—	5,436		1 9 $\frac{1}{2}$
		22,797	2,484	2 3
BURY	5,583			
R. N. Phillips (L.)	—	2,830	1,422	10 — $\frac{1}{2}$
Viscount Chelsea (C.)	—	2,264	818	7 2 $\frac{3}{4}$
		5,094	2,240	8 9
BURNLEY	5,862			
R. Shaw (L.)	—	2,620	1,538	11 8 $\frac{3}{4}$
Sir J. Y. Scarlett (C.)	—	2,238	1,067	9 6 $\frac{1}{2}$
		4,858	2,605	10 9
CLITHEROE	1,595			
R. Assheton (C.)	—	760	552	14 6 $\frac{1}{2}$
C. S. Roundell (L.)	—	693	520	15 —
		1,453	1,072	14 9
LIVERPOOL	39,637			
S. R. Graves (C.)	—	16,766	} 4,242 {	2 6 $\frac{1}{4}$
Viscount Sandon (C.)	—	16,222		2 7 $\frac{1}{4}$
W. Rathbone (L.)	—	15,337	} 4,724 {	3 — $\frac{1}{4}$
W. N. Massey (L.)	—	15,017		3 2
		63,342	8,966	2 9

Boroughs and Candidates.	Registered Electors.	Votes Polled.	Amount Expended.	Average Cost per Vote.
MANCHESTER	48,256		£	s. d.
H. Birley (C.)	—	15,486	3,790 {	2 5½
J. Hoare (C.)	—	12,684		2 11½
T. Bazley (L.)	—	14,192	2,702 {	1 3
Jacob Bright (L.)	—	13,514		1 3½
Ernest Jones (L.)	—	10,662		1 8½
Mitchell Henry (L.), retired	—	5,236	7,103	27 1½
		71,774	13,595	5 2
OLDHAM	13,454			
J. T. Hibbert (L.)	—	6,140	508 {	— 9½
J. Platt (L.)	—	6,122		— 9½
J. M. Cobbett (C.)	—	6,116	855 {	1 4½
Serjeant Spinks (C.)	—	6,084		1 4½
		24,462	1,343	1 1
PRESTON	11,314			
E. Hermon (C.)	—	5,803	1,755 {	3 —¼
Sir T. G. Hesketh (C.)	—	5,700		3 —¾
J. F. Leese (L.)	—	4,741	2,134 {	4 6
Lord E. Howard (L.)	—	4,663		4 6½
		20,907	3,889	3 8
ROCHDALE	9,280			
T. B. Potter (L.)	—	4,455	527	2 4¼
Mr. Schofield (C.)	—	3,270	No statement published.	
		7,725	—	—
SALFORD	14,827			
Alderman Cawley (C.)	—	6,312	2,129 {	3 4¼
W. Charley (C.)	—	6,181		3 5¼
J. Cheetham (L.)	—	6,141	2,668 {	4 4
H. Rawson (L.)	—	6,018		4 5
		24,652	4,797	3 9
STALYBRIDGE	5,388			
J. Sidebottom (C.)	—	2,405	721	5 11½
N. Buckley (L.)	—	2,078	954	8 8
		4,483	1,675	7 4
WARRINGTON	4,471			
P. Rylands (L.)	—	1,984	543	5 5½
G. Greenall (C.)	—	1,957	1,153	11 9¼
		3,941	1,696	8 7
WIGAN	4,385			
H. Woods (L.)	—	2,219	1,290 {	5 9½
J. Lancaster (L.)	—	2,166		5 11½
N. Eckersley (C.)	—	1,920	1,629 {	8 5½
J. Pearson (C.)	—	1,875		8 8¼
		8,180	2,919	7 1

Boroughs and Candidates.	Registered Electors.	Votes Polled.	Amount Expended.	Average Cost per Vote.
			£	s. d.
LANCASHIRE (N.)	14,292			
Hon. F. A. Stanley (C.)	—	6,832	} 9,437 {	13 9 $\frac{3}{4}$
Colonel J. W. Patten (C.)	—	6,681		14 1 $\frac{1}{2}$
Marquis of Hartington (L.)	—	5,296		31 8
		18,809	17,780	18 9
LANCASHIRE (N.E.)	8,650			
J. M. Holt (C.)	—	3,612	} 5,922 {	16 4 $\frac{3}{4}$
C. Starkie (C.)	—	3,594		16 5 $\frac{3}{4}$
U. Kay-Shuttleworth (L.)	—	3,463	} 5,286 {	15 3
W. Fenton (L.)	—	3,441		15 4 $\frac{1}{4}$
		14,110	11,208	15 10
LANCASHIRE (S.E.)	19,340			
Hon. A. F. Egerton (C.)	—	8,290	} 8,218 {	9 10 $\frac{3}{4}$
J. S. Henry (C.)	—	8,012		10 3
Right Hon. F. Peel (L.)	—	7,024	} 5,421 {	7 8 $\frac{1}{2}$
H. Y. Thompson (L.)	—	6,953		7 9 $\frac{1}{2}$
		30,279	13,639	9 —
LANCASHIRE (S.W.)	19,218			
C. Turner (C.)	—	7,676	} 7,800 {	10 1 $\frac{3}{4}$
R. A. Cross (C.)	—	7,729		10 1
Right Hon. W. E. Gladstone (L.)	—	7,415	} 9,943 {	13 4 $\frac{3}{4}$
H. R. Grenfell (L.)	—	6,939		14 3 $\frac{1}{2}$
		29,759	17,743	11 10

IV.—The Harvest Yield of 1868.

FROM the *Mark Lane Express*:—

“In rendering an account of the harvest of 1868, we have to do with one of the most remarkable seasons that has occurred in this country for nearly half a century. From the earliest months the rainfall was less than usual, and this was accompanied with a mildness of temperature that was considered too stimulating for the growth of the principal crop, wheat, which is apt to get winter-proud if it received no check from frost in the secondary stages of its vegetation. But notwithstanding there was no frost of any note during the spring, the wheat crop continued, under a remarkably mild temperature, to hasten towards what was feared would prove a premature maturity. So much was this the case, that in some instances the ear began to show by the middle of May—a most unusually early period. About the same time the drought set in with great determination, and again fears were entertained that the crop would become drought-ripe, which would have rendered the quality of the grain thin, and, consequently, less productive of flour. These fears, however, were soon dissipated, so far as wheat was concerned. The hot dry weather, it is true, hastened the maturing of the grain, but without

injuring or lessening its productive power; and by the latter end of July a very large proportion of the crop was harvested, not only in first rate order, but with such a return in quantity and quality as must convince any person that a hot dry summer is the best climatic condition for the production of that grain. With respect to the spring corn and other kinds of agricultural produce, the case is different. The spring cereals having less time for growth, and consequently having less hold upon the soil, are more affected by drought and heat, and require occasional showers to bring them forward with success and safety. It will be seen by the table that follows these remarks, that with the exception of wheat, every crop has suffered to a serious extent, both in the quantity and quality of the produce. The table contains, in a condensed view, the aggregate results of the reports from 536 correspondents from every part of England:—

The Cereal Crops of 1868.

Classification.	Wheat.	Barley.	Oats.	Beans.	Peas.
Failure	—	—	13	23	6
Two-thirds under average	—	4	5	22	2
One-half „	—	29	36	43	16
One-third „	1	32	66	71	20
One-fourth „	—	11	18	36	18
One-fifth „	—	4	8	1	1
Under average	12	252	241	142	166
Average	134	135	93	68	150
Over average	288	25	5	4	18
One-fifth over average	7	4	—	—	—
One-fourth „	38	3	2	1	6
One-third „	18	1	—	—	—
One-half „	20	3	2	—	—
Two-thirds „	9	—	1	—	—
Double „	1	—	—	—	—
Total	528	503	490	411	403

“ In making an analysis of the above table, we find that out of 528 returns of the wheat crop, there are only 13 under an average, against 134 averages, and 381 over an average. In addition to this extraordinary result, the average weight and quality of the grain was from two to three pounds per bushel greater than usual, adding from 4 to 5 per cent. to the product of flour, of which the excess consists, the bran and offal of good wheat being lighter and less in quantity than that of inferior. The returns of barley show very unfavourably, there being 332 under, against 171 average and above it. The bulk of this crop was too thin to be fit for malting, having been deteriorated in quality as well as quantity from a too hasty ripening, especially on the light soils. So many, however, of the returns are placed under the indefinite description of ‘under average,’ that it is impossible to ascertain correctly the actual deficiency. We are led, however, from the tables and observations of the correspondents, to take it at from one-third to two-fifths of an average, whilst a great proportion of the actual produce is not fit for malting, being only available for grinding purposes and seed corn. The oat crop is decidedly a bad one. Out of 490 returns, there are 387 under against 103 average and over. A glance at the returns in the tables will show that this crop has suffered more than the above figures make it appear. Of the number under average 135 range from one-fourth to entire failure, there being thirteen of this class, whilst of the ‘under average’ class, many of them are more deficient than is implied by the term. We should estimate the deficiency at two-fifths; but as many

of the farmers do not grow more than enough of oats for the consumption of their own stables, the loss of this crop will be less felt than that of other grain. With regard to the bean crop, out of 411 returns, only 73 are an average or over it; whilst of the remainder, there are 142 'under average,' and 195 ranging from one-fourth to failure, of which there are twenty-three cases. It is worthy of notice that, whilst the winter beans were all good, the spring sown were all bad, that is in such cases where any distinction was made in the reports. The crop of peas was better than that of beans. Of the 403 returns, there are 174 average and over, against 229 under it. Some of the crops were worm-eaten; but generally speaking, where the quality is mentioned, it is stated to be good. There were, however, six failures, and in some cases the crops were partially blighted. The deficiency will probably amount to one-fourth of the average."

V.—*Poor Men's Wives.*

FROM the *Pall Mall Gazette* :—

"The committee which recently inquired into the expediency of altering the law relating to the property of married women, discovered some facts which strengthened Mr. Lefevre's case on what may be called its lowest social side. The evidence which was given before them, proves that in the humbler ranks of life the lot of a wife is often a hard and a bitter one. The advantages of marriage seem, in many instances, to be all on one side. The husband finds a drudge and the wife a tyrant. The committee who heard the testimony must have been inclined to wonder why a respectable girl marries at all when she has so much reason to dread that a life of poverty and hardship awaits her. But in the matter of marriage no one attaches much importance to the experience or warnings of others. The young girl in all ranks of life has a beautiful tendency to believe that she is destined to escape the errors and misfortunes which have all been known to overtake others; and, indeed, if we could strike a fair average, it would doubtless be found that these expectations are realised in a fair proportion of cases. But those who live much among the poor, seldom give a cheerful account of their domestic lives. Of course there are thousands of families in which privation is frequent, and yet which manage to avoid brawling and disorder; but there can be little doubt that the lower we go in the social scale, the oftener we find the marriage tie regarded as a thing to be lightly knit and as lightly broken. This, at least, is the testimony of men who spend half their lives in the courts, alleys, and rookeries of England. We should be very glad to think they were mistaken, but the police reports supply too strong a corroboration of their statements.

"The rector of Bethnal Green, the Rev. S. Hansard, whose work has been among the poor of the metropolis for twenty years, told Mr. Lefevre's committee that the women as a rule work very hard, and with little reward to sweeten their toil. Mr. Hansard would protect their earnings from their husbands; in whom he evidently has very little faith. They spend the money while their wives try to save it; and the wives would save more if they were not under the constant fear that it might all be taken away from them at any moment and spent in drink. With husbands who could so act, however, even such a law as Mr. Lefevre proposes would not weigh very much. They would manage by some means to induce the wife to give up her savings; and Mr. Hansard tells us, what every one must have observed, that poor women are usually most unwilling to go to a police court to complain of their husbands. Protect their earnings, and he thinks their husbands would respect them more than they now do. Mr. Hansard's observations have convinced him that there is an 'immense deal' of bigamy going on in London which is never

punished. This he ascribes to the indifference of the man to the moral obligation of marriage. The woman, he thinks, is nearly always ignorant of a former marriage. 'There is, undoubtedly,' he went on to say, 'among the very lowest stratum of our population a very great deal of brutality and disregard for the marriage tie.' Sometimes young girls in this class of life save money from their earnings while they are single. When they get married this little store is soon dispersed. It goes in paying the husband's debts, or in buying necessities for the household. After the law, says Mr. Hansard, and the men would respect it: they would not try to force money from their wives by brutality. It is clear from all the other portions of his evidence that this opinion is founded upon hope rather than upon actual experience.

"In some respects Mr. Mansfield, the police magistrate of Marylebone, confirmed the remarks of the rector of Bethnal Green. He had found that the wives of poor men were in general more thrifty than their husbands. Among the 'respectable' working classes, the wife acts as the treasurer of the family, taking her husband's earnings and doing the best she can for the household with them. A shilling or two is given to the husband that he may go and drink on Saturday night. In such cases as these, it may be presumed, the woman requires no protection for her earnings more than she can find now. The secretary of a co-operative society at Rochdale, Mr. Ormerod, cited instances of a different character. There are 7,000 members of his society, and many of them are women. When these women get married, the husband frequently applies to the society for his wife's money, but the managers decline to give it up to him. 'We tell them,' said Mr. Ormerod, 'that as the money is invested in the wife's name, they have no right to draw it.' Of course this answer could not be upheld in a court of law, but it seems to suffice. A judicial decision is never challenged—probably because the exposure attendant on the process would be inconvenient. A far more satisfactory circumstance was mentioned by Mr. Ormerod. It is usual for both husband and wife to become members of this society, and in many instances each respects the other's savings. In one case a definite agreement was entered into between the husband and wife. They had one child, and each contributed a certain sum towards the household expenses. Whatever was earned over this contribution was saved, and the woman in that way accumulated very nearly 200*l.* out of her own earnings. Other women have saved as much as 50*l.* or 60*l.* There are families where the husband has 100*l.* in the society and the wife 100*l.*, and it is not often that either thinks of touching the other's money. But where a husband does wish to handle his wife's money, and she objects, the society takes the part of the wife, and Mr. Ormerod thinks the effect has been most beneficial. It must be understood that the secretary frankly told the committee he knew nothing of law, and had no education, except such as he had picked up at a Sunday school. His evidence was very sensible and straightforward, and, no doubt, it had weight with the committee in inducing them to report back Mr. Lefevre's bill without amendment.

"The rector of Hoxton, the Rev. T. W. Fowle, was likewise earnestly in favour of the measure. He thought the protection of the wife's property would be quite as much an advantage to the husband as to her; for it happens that when the woman's earnings are seized, they are wasted in drink. Wherever the husband is not a sober man, 'the condition of the women of the lower class is dreadful.' Drunkenness, it seems, prevails very much in Hoxton, and the condition of the wife in bad cases is described as being most miserable; yet she will not punish her husband by taking him before a police magistrate. This was also the statement of several other witnesses who came from different parts of the country, and some cases of great hardship were related to the committee. Mr. Mundella, the manufacturer at Nottingham, who employs over 2,000 female hands, testified that it was lamentable to see to what an extent the earnings of women were dissipated by bad husbands. The women were, as a rule, more thrifty than men, and quite as able to take care of their affairs as the husband.

"All this is a fair example of a particular body of facts laid before the com-

mittee, and it may serve to explain the conclusion at which they arrived. In dealing with the question by law, the great difficulty obviously is with the wives. If women habitually maltreated by drunken husbands decline the protection extended to them by the law, they are not likely to insist upon the observance of such measures as Mr. Lefevre proposes on their behalf. The committee, at any rate, were clearly not actuated by any revolutionary ideas. They were much struck by the facts laid before them, and they were probably unwilling to crush Mr. Lefevre's project without further hearing. It remains for Mr. Lefevre to meet the very serious objections to his scheme which have been brought forward on legal grounds, as well as on account of social questions of a higher order than the committee undertook to investigate."

VI.—*The Agricultural Labourer.*

FROM the *Daily News* :—

" Canon Girdlestone is a brave man, if not a wise one. At Norwich, the metropolis of an agricultural district, he ventured to describe the condition of the agricultural labourer as he has found it. The dissatisfaction of the Norfolk farmers present amounted to indignation, although it was the west and not the east of England labourer that he sketched for the benefit of the Economic Science Section of the British Association. The reverend canon described the modern substitute for the practical serf of Saxon and Norman times, ignorant, hopeless, helpless, working long hours in a damp climate, miserably clad, for wages barely sufficient to procure, not the necessaries, but the sustenance of life, returning at night to a damp crowded cottage, with no luxury but an occasional gift of meat and extra dose of sour cider, at fifty years crippled with rheumatism, looking forward as a matter of course to parish relief in every difficulty, and to parish support when past labour. The correspondents of the newspapers that represent the opinions and prejudices of farmers will angrily deny the correctness of this picture; and they will be partially justified. As a picture of the labourer in some of the most backward counties of England, Canon Girdlestone's representation may pass as only too true. But nothing is more unsafe than broad sweeping assertions on a matter which presents the utmost diversity to the observant eye. In many parts of England the farm labourer is as well off as the artisan, if we take into account all that he gets in exchange for his labour. The worst that can be said is that the average labourer cannot live, and save for the years when he is past work, out of his average wages. It would, however, be unjust to lay what is unsatisfactory in the condition of agricultural labour, at the doors of the present generation of agriculturists, whether farmers or landlords. Our agricultural labourers are the sons of those who were born and bred under the old poor law, with its cancerous laws of settlement, and who were paupers from the cradle to the grave. Employer and employed have alike been trained in prejudice against that emigration without which there can be no satisfactory adjustment of the laws of supply and demand. We cannot expect these evils to be remedied suddenly. It is the farmer's interest to have good labourers about him, and such men will always be able to obtain what they are worth. It will be found that where wages are very low the labourer is of a low type. Education is doing much to qualify him for better wages; and as he becomes more valuable farmers will purchase machinery, and the tools requiring intelligent labourers, and consequently be compelled to do more by piecework, to pay higher wages, and to offer inducements to good hands in the shape of gardens and potato plots. The pig will no longer be an objection, and where possible—for pasture is

scarce in some counties—a cow's grass will be provided. This movement has commenced; it is rapidly extending, although it has scarcely touched the west of England, where the smock-frock farmer who reads little and travels less is largely in the majority. But without the intelligence that education gives the labourer will rarely find courage to migrate or emigrate, and, if he does, will scarcely become more independent of charity with doubled wages. Of this we have had flagrant examples in the coal and iron districts of Staffordshire. It is in an education which will prepare the labourer for doing the best kind of work, for seeking good wages wherever they are to be found, and using them to make him independent of charity, that we must look for a permanent improvement in the social condition of the agricultural servants. The great fault of the education given in agricultural villages, even when it is complete in its way, and the children are really taught to read with pleasure to themselves, to write and cipher well enough to be of use in after life, is that it wants connection with their daily life. The people who answer glibly questions about the geography of Africa or Asia cannot find their way on the Ordnance map of their own country. The natural history of the lion, the camel, and the buffalo is more familiar to them than the important varieties of the British ox, sheep, or pig. Nothing is more needed to primary agricultural education than good text books, which the future ploughboys, cattle herds, and shepherds of the parish would read with interest; books written by able men and women perfectly at home in their subjects, such as the Rev. Charles Kingsley and Miss Martineau could write. Farmers and their men would take infinitely more interest in education if it were more real, and less on the plan of steps up a ladder which the pupils will never be called to climb. The Royal Agricultural Society has made some vague efforts to promote education. It could not do better than turn its attention to the production of practical and readable text-books for agricultural schools. The materials are ample in extracts from Arthur Young, William Cobbett, down to Chandos Wren Hoskyns (*Talpa*), and the essay on sheep in their last *Journal*."

VII.—*The Budget of the City of Paris.*

FROM the *Economist* :—

"It is probable that some part of the coming session of Parliament will be occupied with discussions on the taxation and municipal administration of London. It may not be without interest therefore to give a brief account of the finance of our great neighbouring capital, Paris, to which reference will no doubt frequently be made. The budget which Baron Haussmann has just submitted may furnish the occasion. Unfortunately the local budget of Paris is composed of as many parts—ordinary, extraordinary, special, supplementary—as that of France itself, and the accounts of two or three years are likewise handled at one time. In consequence the finance of Paris is almost as unintelligible as that of London. Here we have so few accounts and figures that nobody knows all or can know all; there they have so many, and the weak parts of the finance are so dexterously concealed that there is no little dispute and controversy as to the real facts. For our present purposes, however, we may safely take the most intelligible of the official figures so far as they go, noting only by way of precaution that there is something behind.

"The years about which we get most information are those of 1868 and 1869. In regard to 1868, what we have here is Baron Haussmann's calculation as to how it will turn out, so that by comparing it with the estimate we can see how he stands. The estimate was as follows :—

<i>Revenue.</i>		£	£
<i>Ordinary Receipts—</i>			
1. Centimes communal	139,976		
2. Octroi	4,100,600		
3. Markets	386,472		
4. Public weights, &c.	39,400		
5. Street dues	19,200		
6. Hydraulic establishments.....	251,772		
7. Slaughter houses	99,000		
8. Warehouses	28,000		
9. Rent of parts of public way	162,268		
10. Rents of communal properties	44,068		
11. Clearances	6,240		
12. Funeral dues	28,420		
13. Concessions of land in cemeteries	66,040		
14. Exploitation of public ways	24,260		
15. Contributions, legacies, and donations for works, &c.	458,040		
16. Miscellaneous	133,000		
			5,986,000
<i>Extraordinary Receipts—</i>			
17. Miscellaneous articles.....			576,000
<i>Supplementary Receipts—</i>			
18. Surplus of 1867	640,000		
19. Arrears	140,000		
20. Unforeseen receipts	20,000		
			800,000
<i>Special receipts</i>			2,445,000
General total			9,807,000

<i>Expenditure.</i>		£	£
<i>Ordinary—</i>			
1. Municipal debt	841,772		
2. Due by the city to the State	91,840		
3. Prefecture—central “Mairie”	95,548		
4. Octroi and other expenses of collection	354,724		
5. District mairies	48,204		
6. Garde national, Paris guard, &c.	119,528		
7. Public worship	6,768		
8. Interments	35,536		
9. Charity establishments	474,872		
10. Lyceums, colleges, and special institutions	244,436		
11. Primary instruction	244,020		
12. Maintenance of edifices, &c.	69,344		
13. Streets of Paris (ordinary service)	31,696		
14. Municipal service of public works	976,104		
15. Pensions	4,228		
16. Fêtes and public ceremonies	30,040		
17. Miscellaneous expenses	19,736		
18. Prefecture of police	638,600		
			4,106,000
<i>Extraordinary</i> (including 467,000 <i>l.</i> for reimbursement of the debt, } and 1,600,000 <i>l.</i> for extraordinary works)			2,456,504
<i>Supplementary expenditure</i>			800,000
<i>Special expenditure</i>			2,445,000
			9,807,000

" This was the sketch of the budget, but the issue will be somewhat different. The ordinary receipts have been increased by about 200,000*l.*, but instead of getting 576,000*l.* of extraordinary receipts, there will only be 420,000*l.* The difference in the latter arises from a dispute as to payments by the State to the city on account of certain public works, but Baron Haussmann is confident his claim will yet be made good. The supplementary receipts have been increased from 800,000*l.* to 855,000*l.*, but on the other hand the special funds now figure at 1,562,000*l.* instead of 2,445,000*l.*—almost the only item being the receipts for two terms of the loan of 1865. In other words, Baron Haussmann admits having borrowed a million and a-half within the year. The total amount of the budget receipts as thus shown is 9,017,000*l.*, of which 7,450,000*l.* consists of what is strictly speaking income and arrears of previous years, and 1,560,000*l.* are borrowed.

" The changes in the expenditure have been the opening of new credits under the 'ordinary' head to the extent of 13,500*l.*, and the abandonment of credits opened to the extent of 100,000*l.* The difference is about 87,000*l.*, which, deducted from the original estimate of 4,106,000*l.*, shows an expenditure of 4,020,000*l.* The extraordinary expenses, however, instead of being 2,456,000*l.* as in the above estimate, will be 2,800,000*l.*—an addition of 350,000*l.* Of supplementary expenditure there is no mention, except of a sum of 170,000*l.* for arrears of previous years; and the special expenditure is made to square with the special funds. The meaning, we suppose, is that having borrowed less than he anticipated, Baron Haussmann has been able to spend less on public works. Altogether the expenditure stands at 8,511,000*l.* The budget thus balances:—

<i>Receipts—</i>		£
From revenue	7,453,000	
„ loans	1,563,000	
	<hr/>	
		9,016,000
<i>Expenditure—</i>		£
Ordinary and extraordinary	6,948,000	
Special	1,563,000	
	<hr/>	
		8,511,000
	<hr/>	
Surplus.....	505,000	
	<hr/>	

" It is thus apparent, even from the official figures, that the surplus is only got by borrowing. When all deductions are made, however, there is still a sum of 7,000,000*l.* and upwards derived from revenue of various kinds, and available for expenditure. Of this amount again, more than 4,000,000*l.* is derived from octroi, while markets and other municipal establishments are made to yield about 1,000,000*l.* Perhaps the most curious item of all is the sum of 458,000*l.* for contributions, *legacies*, and *donations* on account of public works. It seems a large receipt from comparatively accidental sources. The total revenue of London—city, Board of Works, and parishes—from taxes, was estimated by Mr. Göschel in his speech last year at 3,500,000*l.*; so that Paris, though one-third smaller a city, is plainly taxed very much more, whether it gets value for the money or not.

" As to the value it does get, it is observable from the account of expenditure, that unless by borrowing very little can have been spent on new public works. The special expenditure is all borrowed money, and of the remaining 6,948,000*l.*, only about 1,000,000*l.* was available for such works. The money is principally spent in paying the interest on the debt (841,000*l.*) and reimbursement (467,000*l.*); maintaining the police, 630,000*l.*; charity, 474,000*l.*; education (lyceums and

primary), 260,000*l.* And there is a charge of no less than 354,000*l.* for collecting the octroi. The expenditure on the 'mairies' is also a large item. Deducting the quarter of a million for education, there is hardly an item that is not of the nature of the ordinary local expenditure, the same in kind as that of London—the expenditure on charity, for instance, being precisely similar to our own on the poor. If we could only get the items of London expenditure into one account, a comparison would be very useful.

"We need not give any details of the budget of 1869, as they are based on the experience of 1868, as now estimated. The total of the receipts is about the same as 1868, or 8,960,000*l.* The main difference is that as the resource of borrowing has come to an end, the extraordinary receipts, amounting to a million and a-half, are chiefly made up of sums derived from sales of property. With regard to expenditure, the principal difference is the sudden increase of the charge for the debt interest. The following shows the progress made:—

	£
Charge in 1867	765,000
„ '68	841,000
„ '69	1,846,000

—an increase of a million in 1869 over 1868. The truth is, that Paris is now being made to pay the bill for its great improvements, which according to a special report by Baron Haussmann, recently made, are admitted to have cost a net sum of 35,000,000*l.* An annual interest of nearly 2,000,000*l.*, besides whatever sum may be applied by way of reimbursement, is the penalty that Paris will have to bear. Baron Haussmann's consolation is the rapid increase of the city revenue. In 1870 there will be a surplus of revenue over expenditure of 1,200,000*l.*, which can either be applied towards a reduction of the burdens on the municipality, or, as he seems to prefer, to a continuance of the process of rebuilding. But the Parisians, if they had their way, would now prefer less taxation."

VIII.—*The Reserves of the National Banks of the United States.*

THE following important article is taken from the *Economist* of the 2nd January last:—

"An able American correspondent has sent us an analysis of the last published abstract of the quarterly returns which the national banks of the United States are compelled to make to the Government. The returns are dated the morning of the 1st of October last, before the commencement of business, and show the position of the banks at that time, though the abstract was only completed by the Comptroller of the Currency on the 18th of November. A sufficiently long period has not yet elapsed to test fully the system which has absorbed the banking business of the United States; but the returns, as analysed, let us see what is the present position of the banks, and in one respect—the proportion of the cash reserve to liabilities for notes and deposits—exhibit a remarkable contrast with English banking.

"The following is the official abstract, with a column added to show the amounts in sterling money, converting the dollar at 3*s.*:—

Resources.

	Dollars.	Sterling.
		£
Loans and discounts	655,875,277	98,381,291
Overdrafts	1,793,570	269,035
United States' bonds to secure circulation	340,487,050	51,073,057
" " public deposits ..	37,360,150	5,604,022
" " and securities on hand ...	36,817,600	5,522,640
Other stocks, bonds, and mortgages.....	20,693,406	3,104,010
Due from approved redeeming agents.....	66,965,279	10,044,791
" other national banks	35,313,268	5,296,990
" other banks and bankers	7,848,822	1,177,323
Real estate, furniture, and fixtures	22,747,875	3,412,181
Current expenses	5,278,911	791,837
Premiums	1,819,815	272,972
Checks and other cash items	143,241,394	21,486,209
Bills of national banks	11,842,974	1,776,446
" other banks	222,668	33,400
Fractional currency	2,262,791	339,419
Specie	11,749,442	1,762,416
Legal tender notes	92,453,475	13,868,021
Compound interest notes	4,513,730	677,059
Three per cent. certificates	59,080,000	8,862,000
Aggregate	1,558,367,502	233,755,125

Liabilities.

	Dollars.	Sterling.
		£
Capital stock	420,634,511	63,095,177
Surplus fund	77,995,761	11,699,364
Undivided profits	36,095,883	5,414,383
National bank notes outstanding	295,769,489	44,365,423
State " 	2,906,352	435,953
Individual deposits.....	579,686,549	86,952,982
United States " 	17,573,250	2,635,987
Deposits of United States' disbursing officers....	4,570,478	685,572
Due to national banks	99,414,397	14,912,160
" other banks and bankers	23,720,829	3,558,124
Aggregate	1,558,367,502	233,755,125

" The point to which our correspondent draws attention, is the way in which the banks comply with the law as to the reserve they are to hold. According to the Act of Congress there are eleven principal cities of the union, now spoken of as redemption cities, where the proportion of the reserve to liabilities for notes and deposits must amount to 25 per cent. In these cities the reserve must be composed exclusively of specie, legal tender notes, and treasury certificates, the latter reckoned at two-fifths of their nominal amount. In the other banks of the union the reserve need only be in the proportion of 15 per cent., and it may be composed,

to the extent of three-fifths, of 'balances with redemption agents,' the redemption agents being the national banks in the eleven redemption cities. As there are thus two sets of banks keeping reserves of varying composition and amount, it seems impossible to tell exactly from a return where the two are mixed up, how far the law is complied with; but an approximation may be possible. The proportion should be a mean between 15 and 25 per cent., and we find that this is the case. Deducting from the aggregate liabilities the first three items—capital stock, surplus fund, and undivided profits—the remainder are the liabilities to which the reserve must be proportioned, and they amount to \$1,023,641,345, or 153,546,202*l*. Against this, then, the reserve is—

	\$	£
Due from approved redeeming agents	66,965,279	10,044,791
Specie	11,749,442	1,762,416
Legal tender notes	92,453,475	13,868,021
Three per cent. certificates (two-fifths)	23,632,000	3,544,800
	194,800,196	29,220,028

—or in the proportion of 19 per cent. to the liabilities.

"Our correspondent has made two other calculations to show the strength of the banks in proportion to their liabilities. First, he compares these with the actual cash items, that is, with the last eight items in the 'resources'—checks, bills of national banks, bills of other banks, fractional currency, specie, legal tender notes, compound interest notes, and 3 per cent. certificates—which amount altogether to \$325,366,476, or 48,804,971*l*. The proportion is 31 77-100. In the second calculation the Government securities (United States' bonds to secure circulation, &c.), amounting to \$414,664,800, or 62,199,720*l*, are added to the cash assets, so that with—

	\$	£
Government securities	414,664,800	62,199,720
Cash assets	325,366,476	48,804,971
The total reserve is.....	740,031,276	111,004,691

—or in the proportion of 72 27-100 per cent. to the liabilities.

"We are inclined to think that these calculations place the position of the banks in somewhat too favourable a light. To reckon as cash checks on other banks, and bills on other banks, seems a mistake. These are rather assets in the nature of bills receivable, and at least can hardly be reckoned in the aggregate resources of banks if they consist, as we suppose they do, of checks due by one bank to the other. It is fairer to look merely at the items of notes and deposits on the liability side, omitting what is due to other banks as a mere cross entry: and to compare the liability thus restricted with the strictly cash items among the resources—the specie and legal tender notes. This will show the cash position of the American national banks—what they are liable to pay on demand, and the reserve of cash they hold. We thus get the following comparison:—

Cash.

	£	£
Specie	1,762,416	
Legal tender notes	13,868,021	
		15,630,437

Liabilities.

National bank notes outstanding	44,365,423	
State	435,953	
Individual deposits.....	86,952,982	
United States	2,635,987	
Deposits of United States disbursing officers	685,572	
		135,075,917

This is very nearly in the proportion of $11\frac{5}{8}$ per cent., considerably below the official proportion, or any of the proportions which our correspondent has supplied.

"A comparison with English experience gives the following result. On the 30th of June last the principal London joint stock banks were liable for the following deposits:—

	£
London and Westminster	19,915,000
London Joint Stock	13,836,000
Union	10,069,000
City	2,514,000
Imperial	1,159,000
Alliance	1,296,000
London and County	13,680,000
Consolidated	2,260,000
	<hr/>
	64,729,000

Besides a liability of about 12,000,000*l.* on 'acceptances.' Against this the cash reserve was—

	£
London and Westminster	2,305,000
London Joint Stock	1,783,000
Union	1,935,000
City	533,000
Imperial	357,000
Alliance	416,000
London and County	1,818,000
Consolidated	518,000
	<hr/>
	9,665,000

This is nearly in the proportion of 13 per cent. if we exclude the acceptances, and of 12 per cent. if we include them. These figures, however, mix up the cash held by the banks themselves and their deposit with the Bank of England, and the published accounts, except in the case of the Union Bank, give us no means of separating them. In the case of the Union, the proportion is about one-half, and if the others are like it, the real cash reserve in the possession of the banks is only about 4,800,000*l.*, or little more than 6 per cent. of their liabilities. The deposit in the Bank of England, it will be said, should fairly be reckoned in the comparison, but then the coin and notes in the bank, its banking reserve, were only 13,000,000*l.* at the date selected, and its total liabilities were 29,000,000*l.*, consisting, to a large extent, of the deposits of other banks. To know the fair value of the bank's reserve, we should have an account of the bankers' balances it holds with the private banks, the country banks, and the Scotch and Irish banks, all having deposits with it like the London joint stock banks. But we cannot reckon both ways. Unless the Bank of England has cash equal to *all* its deposits, we cannot, in a computation of this kind, reckon the deposits of the other banks with it as part of *their* banking reserve. Our system, it is plain, is very much more delicate than the American."